



Annual Report 2025



The Trusted Home of Agriculture
Die Betroubare Tuiste van Landbou

#SustainabilitySynergised

PEOPLE | PLANET | PROFIT

SERVICE EXCELLENCE | ENTREPRENEURSHIP | EARNINGS | EMPLOYEES | SUSTAINABILITY

#IntegrityIntegrated

www.bkb.co.za



2025 Annual Report

Salient features

BKB delivered strong operational and financial performance in 2025, reflecting the benefits of a disciplined consolidation and disposal phase. The business is now leaner, more efficient, and more profitable.

Strategic decisions streamlined operations and strengthened the Group's financial position. Backed by a stronger balance sheet, BKB is well placed to selectively pursue growth opportunities that align with our long-term strategy.

Profit

Increased by 51.1% to **R131,9 million**
No further operating losses relating to discontinued operations

Net finance expenses

Decreased from R118 million (2024) to **R81 million**

Debt to capital

Decreased to **26%** (2024: 27.5%; 2023: 43%)

Gross dividend

50 cents proposed (2024: 33 cents).
Effective dividend yield of **9.8%** at closing share price (2024: 6.6%)

As we reflect on the past five years, we achieved several milestones during our consolidation phase.

- Built a leaner operating model with stronger balance sheet and profitable divisions.
- Streamlined the portfolio, while maintaining diversification, retaining BKB's traditional value adding agricultural and retail services. These include grain milling, sugar processing and packaging and grain storage.
- Invested in digital platforms like Decision Support Services (DSS) to drive innovation, market responsiveness and new product or service development.
- Pursued selective acquisitive growth in core and adjacent markets.
- Enhanced customer-focused initiatives and sustainability credentials, including entering our first contract supply NXT wool to a global retailer. We discuss our NXT programme in more detail on page 51.
- Initiated measures to improve shareholder liquidity and institutional appeal.

Performance for 2025 is discussed in the message from the Chairman (page 4), Managing Director's (MD) report (page 6), Financial Director's (FD) report (page 28) and operations review (page 34).

Contents

Salient features	IFC
Our annual report	2
Chairman's message	4
Managing Director's report	6
An overview of the Group	9
Vision, mission and values	10
Divisions and brands	11
Our footprint	14
Our business model	16
Our history	18
Our stakeholders	19
Understanding our context and strategy	22
Our market context	24
Our strategic response	25
Our performance	26
Five-year financial summary	27
Financial Director's report	28
Operations review	34
Natural Fibre	35
Livestock and Properties	37
Retail and Fuel	38
PaKHouse Brands	39
Material business risks	41
Risk management	42
BKB Group sustainability impacts	46
Our approach to sustainability	47
Environmental sustainability	51
Social responsibility	54
Governance report	57
Our approach to governance	57
The Board of Directors	58
Board member profiles	60
Executive team profiles	62
Board and committees	64
Remuneration report	68
Audit and Risk Committee report	70
Annual financial statements	73
Appendix A: Group subsidiaries and structure	166
Appendix B: Shareholding	171

REPORT SCOPE AND BOUNDARY

This annual report provides a view of BKB Limited's (BKB, the Group or the Company) results for the period 1 July 2024 to 30 June 2025 (the year or FY25), including material events up to the date of Board approval.

The reporting boundary is informed by the information needs of current and prospective shareholders, providers of financial capital and other interested stakeholders such as employees, customers, producers, suppliers, industry bodies, communities and government. The content of this report also fulfils the Group's statutory reporting responsibilities.

The reporting entity for financial and non-financial information is BKB Limited, which includes all subsidiaries listed in the annual financial statements (refer to note 7). We report according to five segments (refer to note 1).

Content is informed by BKB's value-adding business model, strategy, risk assessments, opportunities, governance practices and operational and financial results.

The report contains a full set of the audited Group and Company annual financial statements.

COMPARABILITY AND RELIABILITY

We built on the prior year's disclosures and in this report disclose more detail about the strategic direction we are taking.

How we prepared this report

REPORTING FRAMEWORKS AND GUIDELINES

- We prepared the report to meet the requirements of:
- The Companies Act, 71 of 2008, as amended (the Companies Act)
 - International Financial Reporting Standards (IFRS) Accounting Standards
 - The listing requirements of the Cape Town Stock Exchange (CTSE)
 - The King IV Report on Corporate Governance™ for South Africa (King IV)¹
- We also considered:
- The Integrated Reporting Framework
 - The United Nations (UN) Sustainable Development Goals (SDGs)

REPORTING PROCESS

- The executive management team and members of the Board provided oversight and guidance on the reporting approach and content planning.
- Information was sourced from management, operational teams and internal reporting mechanisms.
- Executive management and the Audit and Risk Committee reviewed the report before it was recommended to the Board for approval.

INDEPENDENT ASSURANCE

Annual financial statements: PwC audited the Company and the Group's annual financial statements for the year ended 30 June 2025. Their unqualified report appears on page 78.

Broad-based Black Economic Empowerment: Moore was responsible for the external verification of BKB Limited and its subsidiaries' Broad-based Black Economic Empowerment (BBBEE) performance. The certificate is available on our website at <https://www.bkb.co.za>.

APPROVAL BY THE BOARD

The Board acknowledges its responsibility for the integrity of this annual report. The Board confirms it has applied its collective mind to the preparation and presentation of this report and believes that it provides a balanced representation of the performance of the Group.

The Audit and Risk Committee supported the Board in its approval process. The Board is aware of its responsibilities to comply with the listing requirements of the CTSE. The Board confirms that the Group complies with these requirements.

The Board approved the annual report and audited annual financial statements on 4 September 2025.

FORWARD-LOOKING STATEMENTS

This report contains certain forward-looking statements for BKB's prospects and performance. These are not guarantees or predictions of future performance. These statements and forecasts may be influenced by emerging risks, climatic conditions, future events, changing circumstances and other important factors that cannot be predicted and are beyond BKB's control.

Actual future results may thus differ materially from our current expectations in this report. Readers should exercise caution and should not place undue reliance on these forward-looking statements. We do not undertake to update or revise any of these forward-looking statements.

The forward-looking statements have not been audited or reviewed by PwC.

FEEDBACK AND CONTACT

We value feedback from our stakeholders and use it to ensure we report appropriately on issues that matter to them. Please direct comments and suggestions to the Company Secretary at jo.oosthuizen@bkb.co.za or +27 41 503 3060.

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Our annual report

Chairman’s message



Geoff Kingwill
Chairman

SALIENT FEATURES IN FY25

- Strong performance built on growth and resilience
- Improved operational and financial discipline
- Current year dividend of 50 cents per share proposed (FY24: 33 cents)
- Addressing infrastructure, climate and livestock disease risks
- Advancing sustainability and governance
- Initiated share buyback to create shareholder value
- Investing in key growth areas

HOW WOULD YOU DESCRIBE BKB’S PERFORMANCE AND STRATEGIC FOCUS THIS YEAR?

BKB delivered another year of strong performance, building on the solid foundation laid over the past few years. The financial results, with an underlying EBITDA of R330,1 million (FY24: R320,5 million) and a profit of R131,9 million (FY24: R87,3 million), were achieved in a year marked by substantial uncertainty – domestically due to a flat economy and internationally due to a number of political upheavals around the world. These results once again illustrate the value of having a diversified portfolio.

The business continued to consolidate operations, strengthen the balance sheet and embed financial discipline. With the disposal of underperforming businesses behind us, we sharpened our focus on operational excellence, growth and long-term resilience. We delivered on several key initiatives, which are featured throughout this report. In short, FY25 has been a year of resilient performance, both financially and operationally, and demonstrates that we are heading in the right direction.

HOW IS BKB RESPONDING TO EXTERNAL CHALLENGES SUCH AS INFRASTRUCTURE, REGULATION AND ENVIRONMENTAL PRESSURES?

The external environment remains complex, with some persistent headwinds and more emerging risks.

The livestock division is showing early signs of recovery. However, animal disease remains one of the most serious risks to the sector. Although BKB complies fully with all protocols governing the movement and sale of animals, this challenge cannot be addressed by the industry alone. A recent outbreak of foot-and-mouth disease at a well-managed facility underscores the scale and complexity of the issue.

Under the current policy framework, South Africa is unlikely to regain foot-and-mouth disease-free status. We are therefore advocating for a revised national approach that prioritises widespread vaccination in high-risk areas and more effective movement control. BKB continues to collaborate with stakeholders to promote practical, region-specific responses that reflect the realities faced by producers.

Failing infrastructure remains a significant constraint. Across many regions, the deterioration of provincial and national roads, coupled with shortcomings in municipal service delivery, continues to create operational challenges. We nonetheless appreciate the emerging commitment from local government and the tangible progress achieved in select areas.

We are committed to meaningful transformation and senior management is incentivised to successfully meet equity targets that are set for them. However, the newly legislated sector-specific targets raise concerns. If these targets remain misaligned with operational realities, they could pose a material risk to both BKB and the broader sector. We continue to engage constructively to ensure that future targets are both ambitious and achievable.

Climate change and extreme weather events remain tangible threats to agricultural production. Through our NXT programme, we work closely with producers to support climate resilience and remain actively engaged with industry bodies and government to advocate for practical, evidence-based interventions.

WHAT IS THE OUTLOOK FOR BKB’S SUSTAINABILITY EFFORTS?

We are making significant progress in our sustainability initiatives by focusing on delivering meaningful outcomes rather than just meeting compliance requirements. Our desire is to have a beneficial impact on nature where possible and to provide greater transparency on how we are working towards that aim.

Within the Fibre Division, we are upgrading a solar plant to reduce our carbon footprint. We are also rolling out a regenerative agriculture programme that supports biodiversity restoration and promotes sustainable farming practices. This responds to growing global demand for regenerative agriculture and certified natural fibre products. We work closely with producers to improve traceability and ensure responsible production methods.

Our sustainability reporting aligns with the SDGs, and we engage with international organisations to incorporate current scientific insights. This ensures our efforts are grounded in accurate data and reflect emerging best practice.

WHAT ASPECTS OF BKB’S GOVERNANCE AND OVERSIGHT PROCESSES RECEIVED PARTICULAR ATTENTION?

The Board comprises a majority of independent non-executive directors that bring a mix of skills, experience, diversity and knowledge to BKB. We operate an established governance framework to oversee the business and deliberately prioritise time on strategy and increasing shareholder value, while maintaining an appropriate focus on risk and balancing the interests of all stakeholders.

We reviewed the Board’s composition to ensure that we have the right mix of skills and other attributes to take BKB forward in progressing the implementation of its strategy.

I am pleased to report that Johan Stumpf’s term as MD has been extended until 2032. With a secure leadership team in place the Board looks forward to BKB’s next growth phase.

The board, together with the MD and his team, has refreshed our strategy to focus on key areas which we believe will position the company to remain a leading food and agriculture organisation.

The Board continues to diligently monitor the allocation of capital, thereby enforcing capital discipline in the business with the objective of maximising shareholder returns.

HOW IS BKB CREATING VALUE FOR SHAREHOLDERS AND PREPARING FOR THE FUTURE?

BKB operates in sectors that meet fundamental human needs, which supports our confidence in the long-term relevance and sustainability of the business. We remain committed to building a stronger, more resilient company that delivers lasting value to all stakeholders while maintaining our role as a trusted partner in agriculture.

The expanded Gritco mill is expected to come online soon. We anticipate continued positive progress in the livestock division. In addition, insights from our forthcoming employee survey will help us strengthen our workplace culture and improve organisational performance.

Our investment in the United States wool business is a long-term strategic decision. We remain confident in the rationale behind this acquisition and are prepared to be patient as we work towards positive outcomes.

We believe that the current share price does not reflect the underlying value and potential of the business. Limited trading volumes and liquidity continue to affect the share price. We have initiated a share buy-back programme. Although buy-back volumes are small, we believe this gives shareholders a good return, and we also hope that this will close this gap slightly. We are continually looking at ways to further bring the share price closer to the underlying value.

BKB is well positioned to enter the next phase of its growth. The company continues to demonstrate financial discipline as we maintain our strong balance sheet together with cash and available financing facilities to invest for growth and rewarding shareholders. The Board will assess opportunities selectively. Our approach to capital allocation is measured, shaped by experience and underpinned by rigorous due diligence and clear return expectations.

ACKNOWLEDGEMENTS

On behalf of the Board, I would like to thank each member of the BKB team for their efforts. This commitment to BKB and each other is what allows the company to continue to support and add value to growers and producers, customers and communities.

I would like to thank my fellow directors, and especially the Vice-Chairman, Adrian Meyer, and the Audit and Risk Committee Chairman, Charles Staple, for their commitment to the business and for their support, guidance and leadership in positioning BKB for the future. We have a Board that really goes above and beyond in their service of the Group. BKB is fortunate to have such dedicated individuals serving on the Board.

Thank you too, to all our shareholders, producers, clients, customers and suppliers for their trust and support.

Geoff Kingwill
Geoff Kingwill
Chairman

Managing Director's report



Johan Stumpf
Managing Director

BKB delivered a robust financial performance this year. This was achieved by maintaining a strong emphasis on prudent cost management, working capital reduction and improvements in operational efficiency across all divisions.

This year saw total value of business transactions increasing by 3.8% to R13,7 billion (2024: R13,2 billion) and revenue increased by 3% to R6,8 billion (2024: R6,6 billion for continuing operations). Profit before tax reached R185,8 million (2024: R131,8 million, which included losses of R113,5 million relating to discontinued operations). This was a solid outcome in a challenging business environment, driven by all divisions. The remaining divisions within PaKHouse Brands are now consistently, and substantially, contributing to the Group's performance. Livestock reported a strong recovery in performance, although not at the level of prior years. The robust performance highlights the quality and resilience of the Group's portfolio of businesses, as well as strong execution. Please refer to the Financial Director's report on page 28 for further details on financial performance.

MARKET AND OPERATING ENVIRONMENT

On the international front, escalating trade tensions between China and the United States created significant disruption, especially for our fibre business. Tariffs imposed on exports to China forced a temporary suspension of trade activities of our recently acquired USA business. Although Pinnacle Fibres faced challenges in this environment, it is expected to return to profitability as trade relations stabilise. While relatively small in scale, this business is strategically important for diversifying our geographic footprint and mitigating risk. Despite ongoing global economic uncertainties, we remain confident in the long-term value of this investment.

At home, South Africa's sluggish economic growth continues to suppress demand for domestic products, placing pressure on the agricultural sector. The livestock industry has been particularly affected by the persistent foot-and-mouth disease outbreak and the associated government restrictions on animal movement. These controls have constrained trade and revealed weaknesses in government response mechanisms. While such risks are common in agriculture, they continue to pose significant challenges for our businesses. Conversely, improvements in logistics and harbour management have eased some operational pressures, enabling better trade continuity.

“The past year has been shaped by a complex interplay of global and local factors that affected our operations.”

STRATEGIC DRIVERS AND PERFORMANCE

Protect and build selectively

We are committed to protecting and strengthening our core operations while embedding sustainability and compliance as differentiators.

The Natural Fibre Division delivered an operating profit of R99 million (2024: R129 million) amid global price pressures. Higher farming costs relative to wool revenue are prompting a gradual shift toward meat-focused farming. Wool prices are expected to remain steady reflecting global spending on discretionary items. Our strategy is to add value along the wool supply chain rather than chase volume growth, as market forces are largely beyond our control. BKB remains the single largest wool and mohair broker and handling service provider in southern Africa. We have an enduring commitment to wool and mohair growers and have confidence in the future of these sustainable, in-demand natural fibres.

The Livestock and Properties Division improved profitability to R32 million (2024: R17 million) through stronger financial discipline and better debt management. Red meat prices have begun to recover, and while this is not a high-growth segment, it remains a steady contributor and essential service to producers.

Retail and Fuel operating profit was R91 million (2024: R98 million). This was achieved through a sharp focus on costs and margins to ameliorate the effect of lower volume growth. Competitors generally experienced declines, underlining our resilience. We continued to optimise inventory levels while maintaining turnover through technology-driven stock optimisation.

Manage for earnings and growth

We focus on disciplined management of assets and leverage synergies across divisions to drive productivity and efficiency, while using digital tools to strengthen operational insight. This approach is evident in the innovative solutions we develop to support producers and in how we optimise existing operations to deliver sustainable growth.

One of our most promising initiatives is the farm management project delivered through our Decision Support Services (DSS) offering, which collects and analyses data from producers to track individual animal performance. Initially developed to support sheep producers, the project has expanded to include feedlot management and is experiencing rapid growth. This initiative leverages advanced technologies, including AI, to enhance supply chain visibility and support producer decision-making. It represents a significant opportunity for the future.

A highlight of the year was the strong performance of PaKHouse Brands, which completed its restructuring in the prior year. It now comprises two profitable operations, which are expected to meet or exceed the performance of our traditional businesses. The Consumer Goods Division achieved an operating profit of R72 million (2024: R79 million) and the Grains Division reported an operating profit of R64 million (2024: R83 million, excluding discontinued operations).

The modernised Bethlehem facility positions us as a significant national player in yellow maize and grit milling. This investment showcases our commitment to capital efficiency and downstream growth.

Invest for strategic growth

We are pursuing selective, value-accretive opportunities to deepen vertical integration, expand within known value chains and strengthen our technology capabilities.

- Geographic diversification: Despite the temporary disruption in Pinnacle Fibres, our international footprint remains a key lever for risk management and long-term value creation.
- Technology and innovation: We are exploring digital supply systems, AI and other advanced technologies to enhance predictability and efficiency. Our investment in solar capacity reflects our broader commitment to operational resilience and sustainability.

INVESTING IN OUR PEOPLE

Our performance in this complex environment is testimony to all our dedicated team members in the Group. Thanks to the energy, ingenuity and hard work of our people we were able to navigate the challenges we faced effectively and deliver greater value, choice and excellent service for our customers. This is the story that is often neglected but is core to our business success and South Africa's prosperity.

Our commitment to empowering employees is central to our value proposition. We support continuous learning and career growth through comprehensive training, learnerships, internship programmes, and our development centre, which has become a key pillar of employee development.

We regularly measure employee engagement through independent surveys. This year's survey showed increased participation and improved scores, demonstrating growing confidence and employee satisfaction.

Our focus on fair and competitive remuneration helps us maintain a high retention rate, with staff turnover at 2.7% in 2025 (2024: 3.6%). Our total workforce was 1 862 employees in 2025 (2024: 1 828). For more on our remuneration and reward approach, refer to page 69.

THE ENABLING ROLE WE PLAY IN COMMUNITIES

Our commitment to South African agriculture extends beyond business performance. For over a century, we have steadily expanded our reach across South Africa, earning the trust of the communities we serve. BKB operates in regions where few other agri-businesses reach, making us one of the country's most geographically dispersed.

In these rural communities, our operations carry both the privilege and responsibility of supporting the local social and economic fabric, and we provide much-needed employment where opportunities are limited.

This is particularly the case in livestock farming, one of the country’s most widely practised and accessible forms of agriculture with deep cultural meaning. From commercial livestock producers to smallholders with just a few head of cattle, BKB’s scale allows us to support the full spectrum of agricultural livelihoods.

Through our national auction platform, BKB connects over 50 000 producers to formal markets, including thousands of emerging producers. These are often farmers who might otherwise be excluded from receiving a fair price for their animals. For many, even selling a single cow can represent a meaningful injection of income into a household.

Our enabling role also extends through our widespread network of retail stores, which support communities with access to essential agricultural inputs and household goods, anchoring commerce in areas often overlooked by mainstream retailers. In addition, we support producers with advice through the NXT programme and convert data into usable information through our DSS management tool. Beyond these operational initiatives, BKB also supports initiatives through our corporate social responsibility contributions.

OUTLOOK

The overall economic environment continues to present opportunities and challenges. In the immediate term, agriculture faces increased uncertainty because of developments in key international markets triggered by the USA’s tariff regime. Despite this, we believe BKB remains well-positioned to deliver returns over the long term. The Group has demonstrated an ability to withstand a range of market conditions and macro-economic uncertainty. Cash generated from operations, the quality of our businesses, the strength of our balance sheet and the capacity of our people to adapt provide BKB with resilience and a platform from which the business can take advantage of future investment opportunities.

Our strategy is clear and deliberate. We will focus on growth within our areas of expertise, avoiding rapid expansion that could undermine stability. We continue to evaluate selective acquisition opportunities aimed at diversifying supply sources and are exploring geographic prospects, drawing on insights gained from our experience in the United States.


In closing, I sincerely thank our Board, management, employees, shareholders and customers for their unwavering commitment and partnership. It is through this collective dedication that we continue to strengthen a sustainable and resilient business, one that not only supports the farming community but also plays a vital role in advancing the wider agricultural sector and enriching the communities we serve.

Johan Stumpf
Johan Stumpf
Managing Director

An overview of
the Group


Vision, mission and values

By staying true to our values, we have earned a reputation as The Trusted Home of Agriculture in South Africa. This trust, built on enduring relationships, guides our continued commitment to delivering on our vision and mission.




OUR VISION

To craft an agri-business through trust and shared values.




OUR MISSION

Maximising value creation through innovation and efficiency.



OUR VALUES

Our values are simple, concrete, meaningful and capture the essence of our culture, who we are and how we interact with one another. They speak of how we go to market and our commitment to delivering a culture of excellence to all stakeholders as The Trusted Home of Agriculture.



INTEGRITY

Integrity is in our hands.

SERVICE EXCELLENCE

Service excellence is in our hands.

ENCOURAGE ENTREPRENEURSHIP

Opportunity is in our hands.

DRIVE EARNINGS

Prosperity is in our hands.

VALUE EMPLOYEES

Respect is in our hands.

SUSTAINABILITY

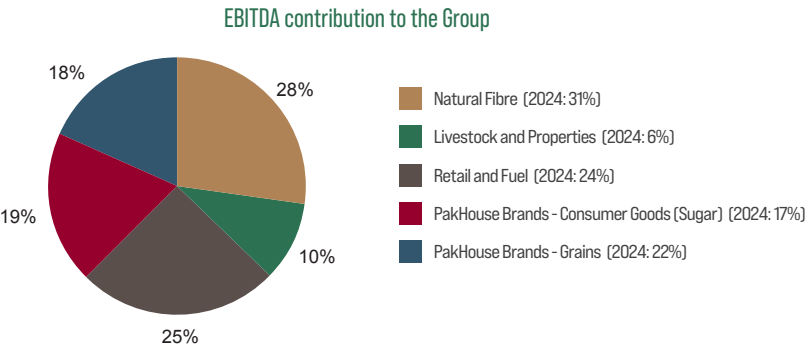
Creating long-term value.

Divisions and brands

BKB structures the Group into five segments under four divisions. The Group operating structure facilitates effective management and enables the Board and executive management to track performance according to formal budgets and plans. Read more about the segments and their performance from page 34.

BKB's five operating segments each play a strategic role in driving the Group's overall EBITDA and long-term value creation. By maintaining a diversified portfolio across natural fibre, red meat, grain processing, and retail, BKB is well-positioned to deliver consistent performance, even in the face of commodity-specific volatility. When one sector experiences headwinds, others often provide counter-cyclical support, smoothing earnings and ensuring stability.

Being invested in strategic areas of multiple agricultural value chains also allows BKB to support a wide spectrum of producers and contribute meaningfully to rural economies.



NATURAL FIBRE

Snapshot

The Natural Fibre Division aims to maximise returns for wool and mohair producers. BKB provides a marketplace, warehousing, logistics, and an advisory function for producers. We sell wool and mohair into international markets where it is processed further.

Scale of operations

- 143 200 m² total warehouse space
- 72 technical advisors

Services and products

- Wool and mohair brokerage
- Technical field services
- Fibre trading services
- Financing options
- Warehousing and logistical services
- Analytical data services

Our Brands



Brokerage services supporting the sale of wool and mohair, primarily to international markets.



Our wool trading business was established to find and develop additional markets for South African animal fibres. It trades greasy and processed wool from South Africa, America, and Australia to various destinations.



Our consultancy business that coordinates and facilitates logistics for Lesotho wool and mohair growers.



The Decision Support Services (DSS) management tool provides an on-farm data analysis service to livestock farmers, assisting producers in analysing their production systems to improve efficiency and profitability.



Our bespoke mohair service provides brokerage and on-farm services to producers in South Africa and Australia.







We offer interest-bearing credit lines to producers and traders.

Divisions and brands [continued]

RETAIL AND FUEL

Snapshot	Scale of operations	Services and products
The Retail and Fuel Division provides a complete range of production inputs, production financing, fuel and other retail products to a broad spectrum of agricultural producers and the general public.	<ul style="list-style-type: none">54 agri-retail shops5 commercial forecourts2 distribution centres1 veterinary wholesaler	<ul style="list-style-type: none">FuelFertilizerSeedVeterinary productsAnimal feedShearing equipmentIrrigation equipmentA wide range of essential farming requisites and consumer productsConvenience storesProduction financingOnline shopping





Our Brands

 <p>We have an online store and numerous physical shops across the country, especially in rural farming areas. Our extensive product offering includes agri-equipment, animal health products, and a diverse range of options for farmers and the general public.</p>	 <p>We combine our fuel offering with our retail shops.</p>
 <p>Farmervet operates under a wholesale veterinary license, allowing us to procure, store, and distribute medical products. Our clientele includes pharmacies, veterinarians, and our own retail stores.</p>	 <p>We offer interest-bearing credit lines to producers and traders.</p>

LIVESTOCK AND PROPERTIES

Snapshot	Scale of operations	Services and products
The Livestock and Properties Division uses its extended regional footprint and auction infrastructure (open-cry and online) to facilitate market access for buyers and sellers of livestock, agricultural equipment and properties.	<ul style="list-style-type: none">11 livestock agent branches57 livestock auction points6 property agent branches	<ul style="list-style-type: none">Calendar auctionsStud auctionsLiaison transactionsDigital and simulcast auctionsAgricultural implements auctionsFarm propertiesResidential propertiesCommercial propertiesProperty rentalsFinancing services

Our Brands



 <p>Marketing livestock, properties, and agricultural equipment through auctions and liaison transactions.</p>	 <p>Livestock marketing and auctioneering in the Eastern Cape.</p>
 <p>We specialise in residential and commercial property, estate living, agricultural land and farms.</p>	 <p>We offer interest-bearing credit lines to producers and traders.</p>

Divisions and brands [continued]

PAKHOUSE BRANDS – CONSUMER GOODS

Snapshot	Scale of operations	Services and products
The Consumer Goods Division supplies sugar and related consumer products to local industrial, wholesale and retail buyers.	<ul style="list-style-type: none">1 processing plant2 co-packing plants	<ul style="list-style-type: none">ProcurementPackagingLogisticsMarketing and selling



Our Brands

 <p>The holding company of the grain storage, processing and consumer goods subsidiaries within the Group.</p>	 <p>Atlanta pre-packs, sells and markets agri-based consumer goods in South Africa and Eswatini. Products include sugar and grain products sold mainly to South African wholesale and retail buyers.</p>
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PAKHOUSE BRANDS – GRAINS

Snapshot	Scale of operations	Services and products
This segment provides services to South African grain producers, millers, traders and processors. It also supplies intermediate manufactured grain products to blue chip local buyers.	<ul style="list-style-type: none">9 SAFEX-accredited grain depots10 on-farm depots1 maize mill	<ul style="list-style-type: none">Storage and collateral managementProcurement, packaging, manufacturing, logistics and selling

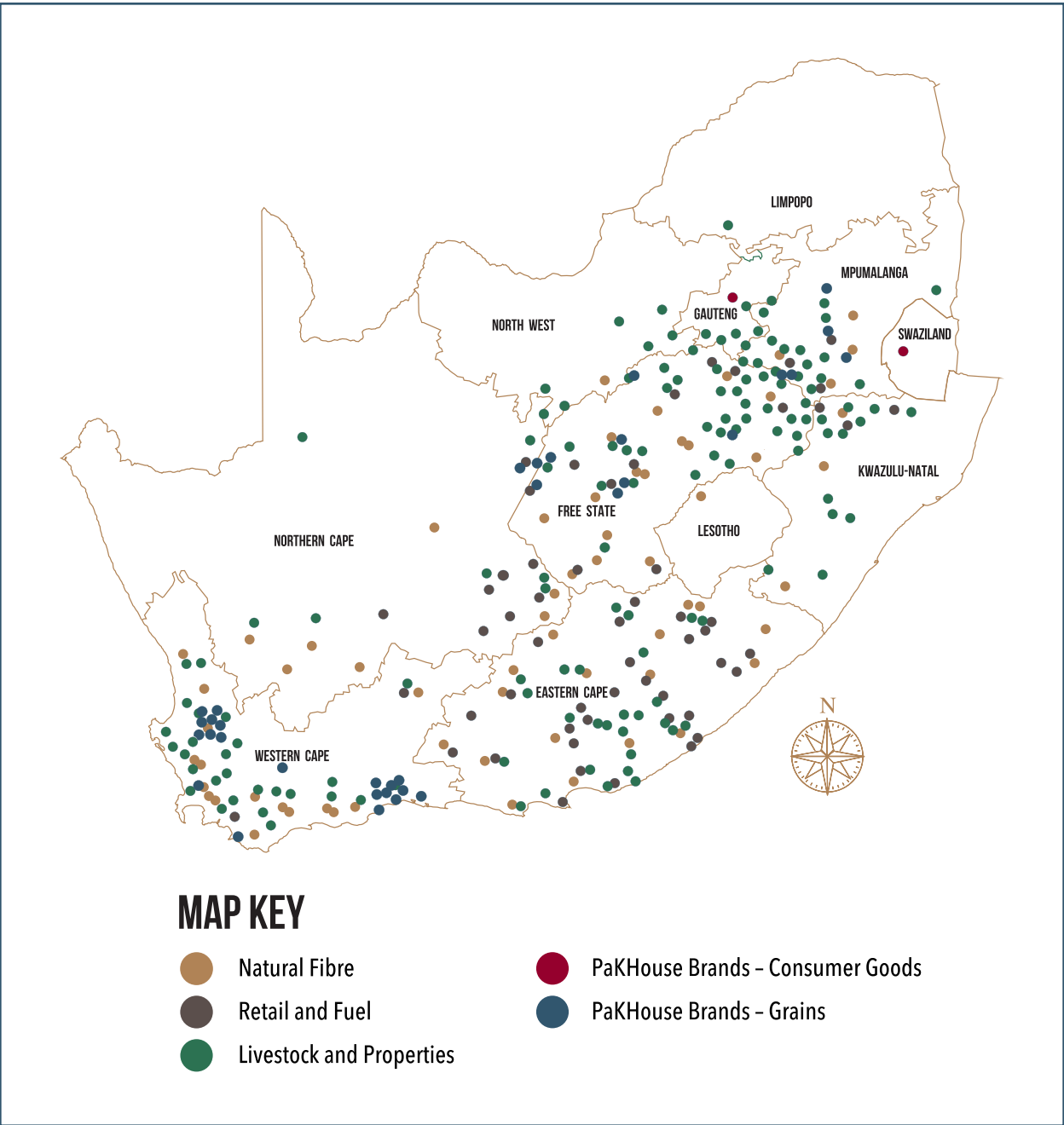
Our Brands

 <p>Gritco mills, sells and distributes yellow maize products including grits, meal and flour, for the South African market. The by-product from the mill is sold as animal feed.</p>	 <p>Storage and collateral management of grains for producers, enabled by strategically located depots near grain-producing regions in South Africa.</p>
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Refer to Appendix A on page 166 for a more detailed breakdown of the legal entities in the BKB Group structure.

Our footprint

We leverage our extensive national network, which is particularly strong in rural and farming regions, to build, nurture and maintain relationships with producers and communities upon which our business is built.



Our business model

BKB’s diverse agri-business operates in strategically selected areas in the wool, mohair, red meat, grain and sugar value chains. This helps mitigate the cyclical dynamics inherent in agriculture and supports greater resilience for our stakeholders.

Our business model outlines how we transform key inputs into measurable outcomes across our operations. These inputs, comprising resources and relationships, are structured around the six capitals framework. The outcomes reflect how we create or preserve value within each capital, aligning with our mission to maximise value through innovation and operational efficiency.

Value creation extends beyond financial returns to include employment, skills development, and investment in the communities we serve. We also contribute to environmental sustainability by improving our operational efficiency and supporting producers in adopting more sustainable farming practices.

INPUTS AND RESOURCES

Financial

We use generated and retained revenue, the Group’s balance sheet, credit facilities and investor finance to fund operations and growth. Disciplined cash flow and capital management enable us to achieve targets.

Manufactured

Our operations depend on a network of offices, branches, retail shops, warehouses, processing and packaging facilities and mills. We depend on equipment that includes presses, balers and vehicles. We rely on our auction facilities, those owned by business partners and public infrastructure such as ports and roads.

Intellectual

We have deep knowledge of the value chains we operate in. We own consumer brands and systems related to auctions, data capturing, and physical and e-commerce retail shops. We depend on protocols such as biosecurity and health and safety. We also use and contribute to external intellectual property, such as sustainable natural fibre standards, and other certifications. BKB’s values drive ethical behaviour.

Human

BKB depends on employees and their critical skills and experience, built over many years in our agri-related businesses. We invest in training and development programmes, such as the BKB development centre, to enhance current and potential employees’ capabilities.

Social and relationship

We have strong relationships with producers, some of which span generations. Long-term relationships and trust with customers and suppliers enable us to deliver consistent quality. We actively engage with other stakeholder groups, including communities, industry associations and government departments.

Natural

We use and track energy, water, and waste consumption in our bigger operations. BKB, our producers and customers depend on healthy livestock and ecosystems.



OUTCOMES

Financial

This year we saw the benefits of several years of consolidation and streamlining. Our focused, diversified portfolio performed well.

ROFE

Year	Value
2023	5.8%
2024	12.2%
2025	13%

Net debt to EBITDA

Year	Value
2023	3.8
2024	1.8
2025	1.7

Normalised EPS growth

Year	Value
2023	-43.3%
2024	54%
2025	50%

Manufactured

- R45,2 million invested in the expansion of our Bethlehem mill so far (projected total: R65,5 million), with estimated 48% additional milling capacity when complete
- Upgraded two retail branches and two fuel stations (two more are in progress)

Intellectual

- 8,1 million hectares comply with the Responsible Wool Standard (RWS) and Responsible Mohair Standard (RMS)
- 210 farmers use our DSS system

Human

- 1 862 people employed
- Employee turnover rate of 2.7%
- R534 million paid in salaries and wages
- 743 employees completed training and development programmes
- 16 bursaries, 76 learnerships and 33 internships were awarded

Social and relationship

- Handled more than 59% of the South African wool clip and 68% of the combined South African and Lesotho mohair clip
- Natural Fibre handled the output of 4 643 commercial producers and 60 687 emerging and small producers
- R2,6 billion worth of animals were sold on auction
- Five auctions, on average, hosted daily across the country

Natural

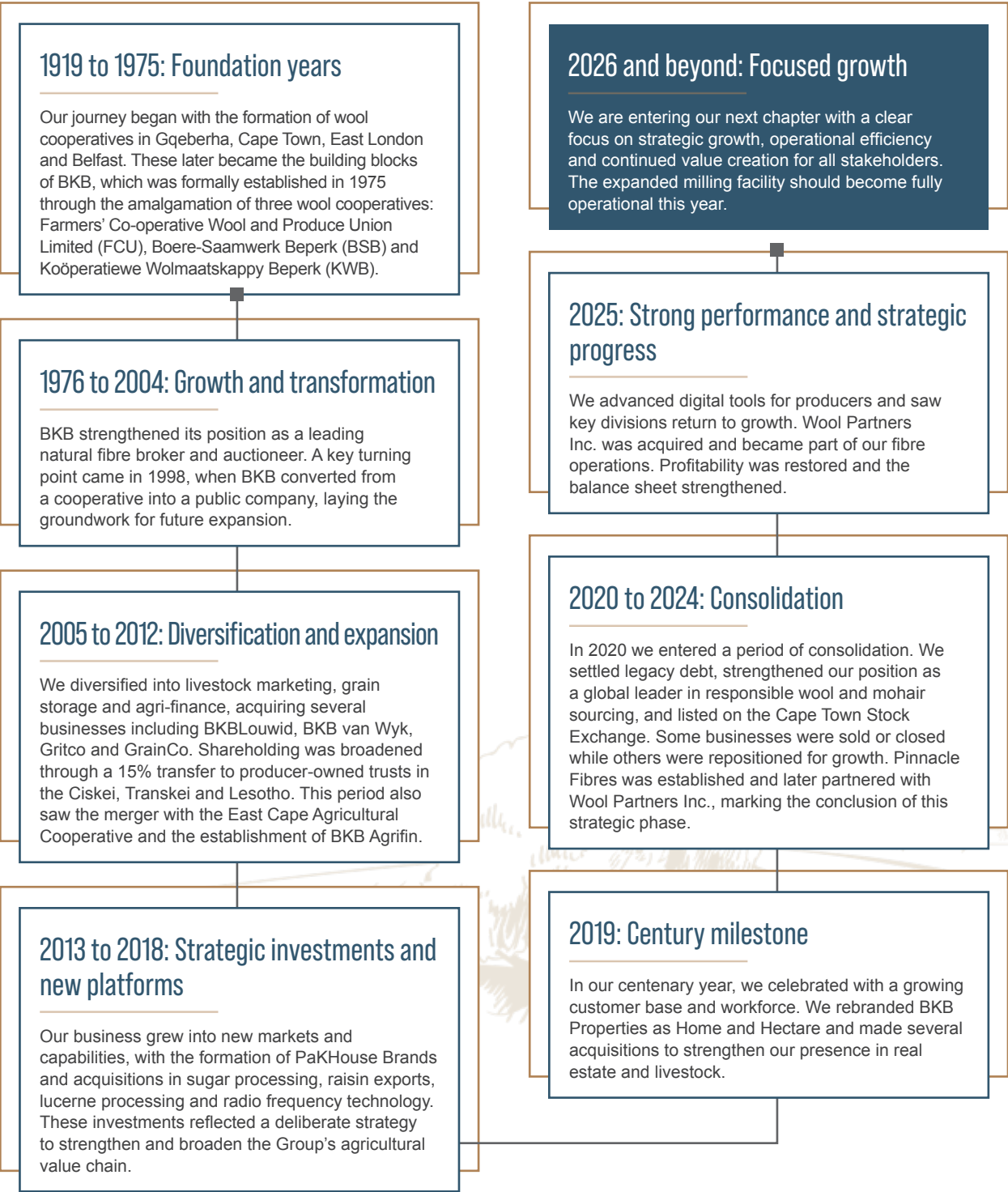
- 10,4 million kg RWS-certified wool and 1,3 million kg RMS-certified mohair sold
- New solar installations at Atlanta and our head office

Our history

CELEBRATING MORE THAN A CENTURY OF MILESTONES

Our story spans more than a century and is underpinned by lasting relationships, values and trust.

Our story spans 106 years, grounded in lasting relationships, values and trust. We have evolved from a group of regional wool cooperatives into a diversified agri-business with local and international reach.



Our stakeholders

We continue to strengthen our networks through regular and transparent engagement. We outline our interactions with key stakeholder groups over the past year, highlighting their priorities and the actions we took in response.

EMPLOYEES

We depend on the dedication and diversity of our people across roles, skills, and locations. Our teams' collective experience and commitment enable us to serve producers and support communities in all the regions we operate.

ENGAGEMENT APPROACH	KEY ISSUES RAISED	OUR RESPONSE
<ul style="list-style-type: none">• “Campfire chats” take place every second month where line managers and their teams discuss relevant topics.• Awareness sessions were also held on sexual harassment as well as diversity and inclusion.• We do a biennial employee engagement survey.• We hold quarterly feedback sessions with middle management to engage with our Executive Directors.• We have union shop stewards in each division.• The Natural Fibre Division has structured quarterly meetings with unions.• We use WhatsApp to broadcast relevant, important information to our employees.• Our Down to Earth mailer is sent to all employees and contains information about BKB’s sustainability initiatives.	<ul style="list-style-type: none">• Losing critical skills and older employees with institutional knowledge.• Difficulty in attracting young talent with families to rural towns.• Medical aid offerings provide inadequate cover or irrelevant benefits in rural areas.• 76% of employees enjoy job satisfaction at BKB, according to this year’s employee engagement survey.	<ul style="list-style-type: none">• This year our campfire discussions focused on whistleblower awareness, cybersecurity and phishing. Feedback is responded to as needed.• We strengthened our internal mediation processes.• We nurture potential talent through a development centre that facilitates learning and includes mentoring as part of succession planning.• We have increased our retirement age to 65 to retain key skills.• Employees can now choose between two medical scheme options.• We host a year end ceremony to honour employees who embody company values and also to recognise long service awards (10 years or more).• All divisions are tasked to create action plans that ensure fair promotion, which includes transformation and BBBEE targets.• We continue to work towards remuneration parity and conduct third-party benchmarking against peers in the industry.

Read more in our social responsibility section on page 54.

Our stakeholders [continued]

CUSTOMERS

BKB serves a broad customer base. We supply inputs, services and storage to producers, natural fibre to international buyers, milled grain to major food companies, livestock to local and international traders, and consumer goods to individuals through our online and retail stores.

Engagement Approach	Key Issues Raised	Our Response
<ul style="list-style-type: none">We regularly engage with producers through our provision of advisory services (including DSS and sustainability).We engage with retail customers in our stores and online.We engage with customers at auctions and events.Several of our customers do routine inspections at our facilities (e.g. food safety and animal health).	<ul style="list-style-type: none">The global cost-of-living pressures continue to squeeze customers, affecting demand for natural fibre, red meat and sugar (among others).Sustainability requirements, especially in Europe, are advancing. Companies increasingly seek responsibly sourced materials and, for this reason, prefer South African wool and mohair because we have high levels of certification and we can reliably demonstrate traceability.	<ul style="list-style-type: none">In line with customer requirements, we maintain several of our facilities at internationally accredited standards (e.g., ISO¹ and SMETA²) which extend beyond national requirements.We record and report relevant quality, environmental and social data.

¹ International Organization for Standardization (ISO) to ensure quality, safety, and efficiency across various products, services, and systems.
² Sedex Members Ethical Trade Audit (SMETA) audits are widely used to evaluate working conditions and ensure responsible business practices.

PRODUCERS AND SUPPLIERS

Our producers span the wool, mohair, livestock, and grain sectors. In addition, we rely on a broad base of suppliers for equipment, vaccines, fuel, and other essential goods, including strategic partners such as auction facilities.

Engagement Approach	Key Issues Raised	Our Response
<ul style="list-style-type: none">We engage through advisory services and training on farms.Our Down to Earth mailer shares sustainability information with external stakeholders.We host events such as auctions, shows and property showcases.Divisional Facebook groups facilitate information sharing.We provide market research on wool and mohair.	<ul style="list-style-type: none">More structured sustainability practices aligned with global requirements.Wool, mohair and red meat prices.	<ul style="list-style-type: none">We support producers to implement social, environmental and animal welfare best practices (e.g., through the NXT programme).We offer producers advances on the inventory we hold on their behalf.DSS assisted producers to collect data and make informed decisions to maximise income per animal.

INVESTORS, SHAREHOLDERS AND CAPITAL PROVIDERS

BKB is listed on the Cape Town Stock Exchange and has 3 577 shareholders. Our investor base values long-term growth and understands the cyclical nature of agriculture.

Engagement Approach	Key Issues Raised	Our Response
<ul style="list-style-type: none">We engage with our shareholders and investors through our annual report, annual general meeting, and by sharing updates on our website and social media.We regularly have private engagements with our banks to maintain a strong and transparent relationship.	<ul style="list-style-type: none">Share price performance.Responsible capital allocation.Growth opportunities.	<ul style="list-style-type: none">We listed on the CTSE to make our shares easier to trade.We initiated a buy-back scheme to return capital to smaller shareholders.We have strengthened our balance sheet and reduced debt.We continue to have an open, constructive and transparent relationship with our financiers.

Our stakeholders [continued]

COMMUNITIES

BKB is a trusted name in rural and agricultural communities, supported by a broad network of retail stores and branches nationwide. We play a vital social and economic role connecting over 50 000 producers to formal markets, enabling rural livelihoods, and anchoring commerce in regions often underserved by other providers.

Engagement Approach	Key Issues Raised	Our Response
<ul style="list-style-type: none">We regularly engage with the communities that surround and support our businesses through our retail shops, job creation and training.We support agricultural shows and events that communities participate in.	<ul style="list-style-type: none">Food security, safety and service delivery are important themes in rural communities.Employment opportunities.	<ul style="list-style-type: none">Our socio-economic development initiatives are primarily driven through the BKB Educational Trust. Our Group attempts to address the educational needs of our employees' children through financial contributions to school fees, technology-related equipment, school and sportswear, stationery and learning material. Our contribution for FY25 was R1,28 million.We continue to support producers and create jobs in rural economies.

GOVERNMENT

Government plays a critical role in enabling trade and business growth, particularly in agriculture. Our operations depend on reliable infrastructure and services provided by the local government.

Engagement Approach	Key Issues Raised	Our Response
<ul style="list-style-type: none">We engage with the government primarily through industry bodies like Agbiz.	<ul style="list-style-type: none">Animal welfare, biosecurity, food.Security and exports.Employment equity and transformation.	<ul style="list-style-type: none">We engage government directly and indirectly on issues relevant to our industry.

INDUSTRY BODIES

We are active members of several industry associations that promote agricultural best practices, shape policy, and collaborate with the government to address national challenges.

Engagement Approach	Key Issues Raised	Our Response
<ul style="list-style-type: none">We participate in various producer organisations and groupings by attending meetings and other forums.We engage with organisations including Agbiz, Cape Wools SA, the National Wool Growers Association, the South African Mohair Growers Association, the Red Meat Producers' Organisation and the International Wool Textile Organisation.	<ul style="list-style-type: none">The state of South Africa's national infrastructure.Global and geopolitical developments.Trading policy and regulations (the tariffs imposed by the United States were pertinent this year).Alignment with industry standards and best practices.	<ul style="list-style-type: none">Through Agbiz, we engage government departments on relevant issues such as trade relations, animal health, vaccines, employment equity and infrastructure.Numerous donations and sponsorships were made to wool growers' associations in the Eastern Cape and communal shearing sheds.



Understanding our context and strategy

Our market context

The agricultural sector is a cornerstone of food security, rural livelihoods and export earnings.

BKB operates in an environment of price volatility and recurring supply chain disruptions, which squeeze margins and complicate long-term planning. At the same time, evolving consumer expectations and rising environmental standards are reshaping the industry, driving demand for high-quality, sustainable and traceable products.

Global interest in natural fibre

Global demand for natural fibres is driven by their quality, versatility and growing appeal as sustainable, biodegradable alternatives to synthetics. Supply, however, is tightening. Australia, the world's largest wool producer, is experiencing climate variability and changing land use, which are adding to price volatility.

Mohair, although a smaller market segment, retains a strong premium position. Its continued success depends on quality, traceability and animal welfare, factors that now influence buyer decisions across all natural fibres. In key markets, certification and supply chain transparency are standard requirements.

South Africa is the world's largest producer of mohair and an important source of fine wool. The Eastern Cape is a key production region, home to many commercial and emerging growers. Despite environmental and economic pressures, producers continue to deliver high-quality, ethically sourced fibre to global buyers.

BKB's integrated model, from on-farm advisory services to international market access, supports producers in meeting market requirements and securing the long-term relevance of South African fibre in a competitive global landscape.

Meeting livestock demand

Global demand for animal protein is resilient, particularly in developing markets. International trade is shaped by market access requirements and disease control measures, which influence both volumes and destinations.

South Africa's livestock sector is well established, with sheep, cattle and game farming at its core. A strong auction system underpins the sector, connecting a broad network of commercial and emerging farmers. Auctions provide liquidity, enable price discovery and play a vital role in formalising trade.

The country is a net exporter of red meat, with most formal exports destined for the Middle East, China and Southern Africa. Recurring biosecurity threats such as foot-and-mouth disease create volatility, disrupt trade and undermine market confidence.

Nevertheless, South Africa continues to supply high-quality livestock to both domestic and export markets, with emerging farmers playing an increasingly active role in the formal value chain.

With our scale, reach and long-standing relationships, BKB connects buyers and sellers as a reliable market facilitator.

Retail that supports rural resilience

Rural resilience, the capacity of farming communities to withstand and adapt to challenges, is increasingly shaped by the intersection of global oil prices, input costs, and the role of rural retail. Fuel is vital for agriculture, from powering machinery to transporting goods. When oil prices rise, both fuel and agricultural input costs increase, squeezing farm margins and making planning difficult.

Because of these pressures, farmers now expect more from agri-retailers than product supply alone. They seek expert advice and practical solutions to help manage costs, improve efficiency, and reduce risks. In developed markets, this has led to growth in services like digital integration, precision farming tools, financial products, and sustainability-focused solutions.

In South Africa, agri-retailers are central to maintaining rural economies. Fuel stations ensure reliable access to diesel and petrol, supporting both commercial and emerging farmers. The sector faces challenges such as logistical disruptions and tighter margins. Success depends on building partnerships, achieving scale, and earning farmers' trust through tailored support and transparent relationships.

BKB exemplifies this approach, maintaining a strong presence in key farming regions and offering integrated fuel and retail services. By providing consistent supply, expert guidance, and growing convenience, BKB helps farmers navigate uncertainty and supports rural economic stability.

Looking ahead, agri-retailers who invest in innovation – such as renewable energy, digital platforms, and capacity-building for emerging farmers – will play a crucial role in sustaining rural resilience, ensuring that farming communities remain robust and adaptable in an ever-changing world

Processing consumer staples

Globally, grain processing is becoming more specialised, with growing demand for high-performance flours, fortified staples and alternative grain blends aimed at health-conscious markets. In the sugar industry, producers face pressure to respond to evolving health regulations.

South Africa has a well-established grain milling industry which processes both locally grown maize and imported wheat, producing everything from staples to specialised flours for industrial baking and food manufacturing.

In sugar, South Africa and Eswatini are leading producers in southern Africa, with vertically integrated operations covering cane production, milling and refining. Domestic sugar consumption remains stable.

For both grains and sugar, storage, processing and financing solutions are critical to ensuring supply continuity and market participation. BKB supports this through grain depots, collateral management services and processing capacity that links local producers to retail and industrial buyers.

Our strategic response

Over the past five years, BKB has reshaped itself into a leaner, more focused Group by divesting non-core activities and concentrating on profitable, capital-efficient business units. This transformation positioned us as a digitally enabled, vertically integrated agri-business that goes beyond traditional agricultural services.

Our strategic focus from 2025 to 2027 is to protect and strengthen our core operations while driving sustainable growth through innovation, collaboration and selective expansion. We continue to leverage digital transformation and operational efficiency as key enablers to sharpen our competitive edge.

STRATEGIC DRIVERS AND FOCUS AREAS

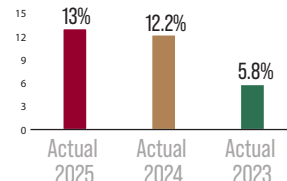
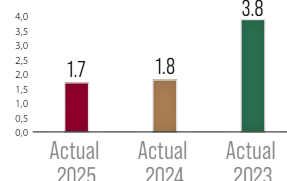
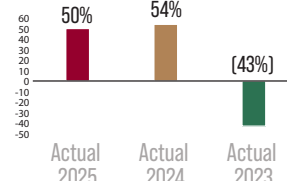
STRATEGIC DRIVER	FOCUS AREAS
Protect and build selectively	Maintain and enhance BKB's market leadership in fibre, livestock, retail and PaKHouse segments such as milling and grain storage. Preserve capital efficiency while embedding sustainability and compliance as differentiators.
Manage for earnings and growth	Drive profitability and diversification through disciplined management of capital and assets, leveraging synergies within divisions. Emphasis on digital tools for enhanced customer service and operational insight.
Invest for strategic growth	Pursue organic and acquisitive growth selectively to deepen vertical integration and expand presence within known value chains, including international opportunities. Focus on innovation and technology (e.g., DSS, artificial intelligence (AI)) that increase predictability and efficiency.

COMMON STRATEGIC THEMES ACROSS DIVISIONS

- Digital transformation:** Integrate digital tools and data analytics to enhance auctioneering, trading, supply chain transparency and decision-making
- Operational efficiency:** Streamline processes, reduce costs and improve yields and employee engagement
- Customer centricity:** Deepen customer insight, CRM programmes and service diversification
- Sustainability and compliance:** Embed regenerative farming, animal welfare and regulatory alignment as key value drivers
- Shareholder value and liquidity:** Address share liquidity and fragmented shareholder base via targeted measures, including share buy-backs and potential partnerships

KEY PERFORMANCE INDICATORS

We monitor three financial metrics to measure the successful implementation of the Group's strategic drivers. General managers across the divisions use these metrics to drive decisions and performance. The Group reported improved profitability at lower debt levels, and met the relevant targets over the last two years. Although ROFE has improved, it is still below target. The Group is confident that its current portfolio of businesses can deliver ROFE at targeted levels.

INDICATOR	WHY WE MEASURE THIS	TARGET	PERFORMANCE
ROFE	Measures efficiency in using capital relative to the cost of capital (WACC).	≥2% above WACC (Group WACC is calculated as 13.9% at year-end)	
Net debt to EBITDA	Assesses profitability relative to balance sheet risk and capital structure management.	Maintain 2024 levels	
Normalised earnings per share (EPS) growth	Demonstrates sustainable growth, targeting 1%–4% growth above CPI inflation.	CPI + 1% to 4% growth	

Five-year financial summary

CONTINUING OPERATIONS			ALL OPERATIONS				
	2025 R'000	2024 R'000	2025 R'000	2024 R'000	2023 R'000	2022 R'000	2021 R'000
Statement of profit or loss							
Value of business	13 720 999	12 932 483	13 720 999	13 240 925	13 557 205	14 277 492	13 213 136
Revenue/Turnover	6 773 523	6 561 802	6 773 523	6 870 244	6 371 460	6 093 786	5 544 979
EBITDA ¹	330 085	394 755	330 085	320 451	264 953	310 386	282 526
Depreciation and amortisation ²	63 323	67 788	63 323	70 684	129 021	73 387	67 158
Operating profit	266 762	326 967	266 762	249 767	135 932	236 999	215 368
Finance expense (net)	80 987	81 682	80 987	117 955	116 107	65 368	66 517
Income tax expense	53 897	75 044	53 897	44 538	9 971	53 785	43 934
Profit for the year	131 878	170 241	131 878	87 274	9 854	117 846	104 917
Headline earnings	136 624	173 660	136 624	91 791	59 872	105 541	104 489
Statement of financial position							
Non-current assets			1 139 398	1 148 807	1 140 099	1 132 568	1 134 519
Current assets			1 906 667	1 735 302	1 962 982	1 805 268	1 701 637
			3 046 065	2 884 109	3 103 081	2 937 836	2 836 156
Total liabilities			(1 455 057)	(1 406 360)	(1 773 118)	(1 581 563)	(1 548 689)
Total shareholders' equity			1 591 008	1 477 749	1 329 963	1 356 273	1 287 467
Net interest-bearing debt			558 731	561 169	1 002 269	809 071	789 875
Statement of cash flows							
Cash flow from operating activities			120 502	474 230	(12 924)	92 957	188 869
Cash profit after tax from operations			248 618	223 333	134 927	168 015	192 070
Working capital changes			(128 116)	250 897	(147 851)	(75 058)	(3 201)
Cash flow from investing activities			(75 176)	(28 438)	(96 614)	(79 531)	(99 802)
Cash flow from financing activities			(21 628)	(426 362)	92 270	87 981	(145 229)
Net cash flows for the year			23 698	19 430	(17 268)	101 407	(56 162)
			2025	2024	2023	2022	2021
Ratios							
ROFE ³ (%)			13.0	12.2	5.8	10.7	10.6
Return on equity (%)			8.3	5.9	0.7	8.7	8.1
Dividend yield at closing price (%)			9.8	6.6	–	4.2	4.4
Total shareholders' equity: Total assets employed (%)			52.2	51.2	42.9	46.2	45.4
Net interest-bearing debt: Total assets employed (%)			18.3	19.5	32.3	27.5	27.9
Net interest-bearing debt: Total capital (%)			26.0	27.5	43.0	37.4	38.0
Net interest-bearing debt: Total shareholders' equity			0.4	0.4	0.8	0.6	0.6
Net interest-bearing debt: EBITDA (times)			1.7	1.8	3.8	2.6	2.8
Performance per share							
Number of shares in issue ('000)			87 913	88 407	88 407	88 407	88 407
Share price at 30 June (cents) (last traded price)			510	500	570	1 010	900
Headline earnings (cents)			175	117	76	134	133
Dividends (cents) (proposed gross)			50	33	–	42	40
Net asset value (cents)			1 810	1 672	1 504	1 534	1 456

¹ Earnings before interest, taxation, depreciation, impairments, amortisation and revaluations.

² Includes cost of sales depreciation, impairments and revaluations.

³ Return (Operating profit) on funds employed (Excludes cash, borrowings and taxation).

Our performance

Financial Director's report



Jannie van Niekerk
Financial Director

KEY FACTORS IMPACTING FY25'S FINANCIAL PERFORMANCE

BKB achieved profit growth of 51.1% to R131,9 million. The Group produced a solid performance across most areas, despite constrained trading conditions during the year. The successful restructuring within PaKHouse Brands in the previous two years resulted in lower funds employed and an overall stronger financial position. Lower debt levels reduced finance charges significantly.

During the second half of the financial year BKB was impacted by the tariffs imposed between the United States and China, limiting our trade of wool from the United States into China. Low international fibre demand, variable weather patterns, animal diseases and regulatory pressures in the informal sector further constrained BKB's trading environment.

This year our diversified platform came to the fore to deliver a solid financial performance despite some challenging market conditions.

	PROFIT OR LOSS CONTRIBUTION AND INFLUENCING FACTORS				
	FY25 (R' MILLIONS)	FY24	POS/ (NEG) VAR [%]	FACTORS IMPACTING PERFORMANC	BKB'S RESPONSE
Natural Fibre	99	129	(23%)	The tariff dispute impacted Pinnacle Fibres. Local shipping challenges resulted in a major shipment being delayed into FY26. Depressed fibre demand negatively impacted prices and production.	Procured new season wool selectively from the United States. Focused on DSS to support local producers.
Livestock and Properties	32	17	92%	Foot-and-mouth disease restricted sales volumes. Doubtful debts expense remained high. Livestock prices recovered in the last quarter because of limited supply.	Grew sales and partnerships with creditworthy customers.
Retail and Fuel	91	98	(8%)	Late summer rains impacted on buying power. Successfully upgraded fuel stations. FY24 was a record result.	Optimised stock levels and carefully managed costs and prices
Consumer Goods	72	79	(9%)	Regulatory pressure on the informal sector restricted sales. Still managed to deliver strong results for the fourth consecutive year.	Stock was carefully managed by selling to other markets without compromising stock availability through the Eswatini quota.
Grains	72	83	(13%)	Seasonal changes in the timing of summer grain harvest negated grain storage performance. Bethlehem grit mill delivered excellent results, in line with prior year.	The grain division is well diversified, and the group expects improved results in F2026.
Supporting divisions	(89)	(79)	(13%)	Strengthened internal audit (IA) department and increased incentive provisions.	Continuous cost savings, while selectively building value-adding support.
Discontinued operations	–	(77)	100%	No operating losses in FY25.	Growth opportunities were carefully considered to avoid the risk of similar rationalisations and closures in future.
Loss on disposal of asset	(8)	–	100%	The lucerne press disposal proceeds were less than the carrying value.	The Board oversaw the sale of assets.
Operating profit	267	250	7%		
Finance costs	(81)	(118)	31%	Reduced funds required in FY25 post-restructuring. Local prime lending rate reduced by roughly 50 basis points year-on-year on a weighted average basis.	Negotiated lower interest rates on facility renewal with lenders, which came into effect towards the end of FY25.

* This figure includes a loss related to discontinued operations of R113,5 million.

Financial Director’s report [continued]

The Fibre Division performed below expectations. Wool volumes received from producers were slightly lower than the prior year and what was anticipated. Average fibre prices, which were expected to recover in the second half of the year, disappointed, and were lower than the prior year. Pinnacle Fibres’ performance was severely impacted by import tariffs which limited wool trade from the United States into China and led to elevated stock levels.

The Livestock Division recovered well, albeit from a low prior year base. The other divisions delivered strong results in challenging circumstances. Most notable is PaKHouse Brands which again contributed significantly to the Group’s results through its Grains Division as well as Atlanta Sugar, within the Consumer Goods segment.

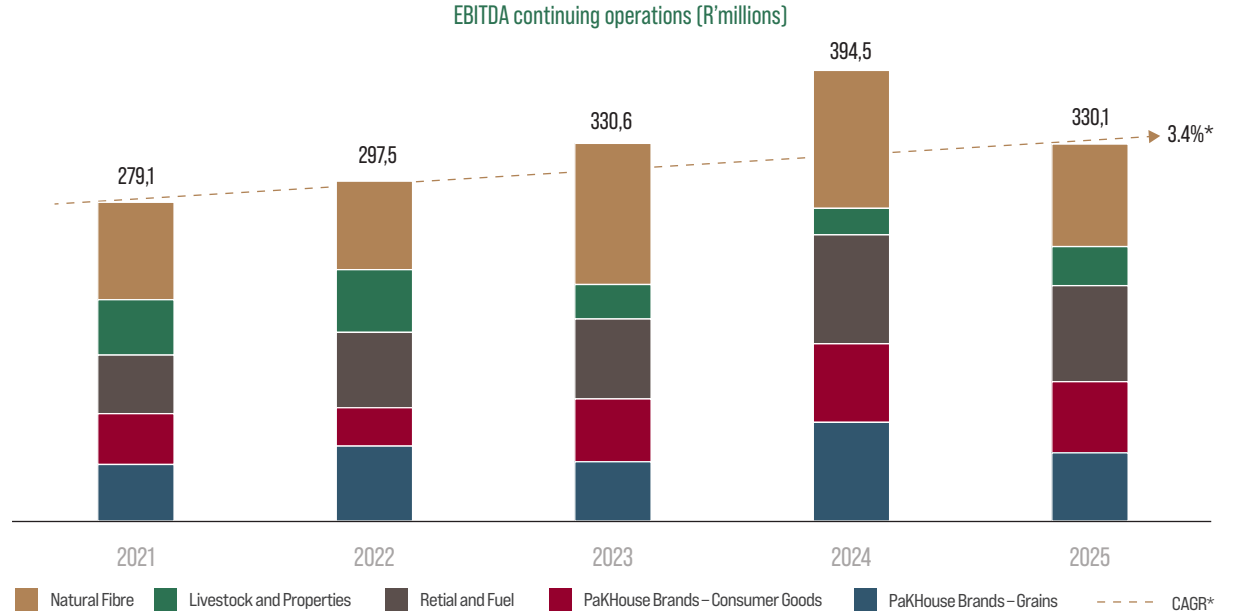
After achieving stellar results in FY24 the retail and fuel division held its own this year and produced a creditable result.

As expected, no further operating losses relating to prior years’ discontinued operations were incurred. However, the board approved the sale of the lucerne press at current market value, which led to a loss on disposal of R8,2 million.

Net finance costs reduced by 31.3% to R81 million, driven primarily by lower average funds employed as well as the reduction in the Group’s effective interest rate during the year.

The graph below sets out Group EBITDA from continuing operations over the last five years and underscores the importance of our diversified business model.

OUR FINANCIAL PERFORMANCE KEY FEATURES



* The five-year Compounded Annual Growth Rate (CAGR) moderated from 18.9% in FY24 to 3.4% in FY25, reflecting a recalibration of the base year. FY21 EBITDA (R279,1 million) was substantially higher than FY20 (R166,3 million), resulting in a stronger starting point for the growth calculation. This base effect muted the CAGR despite solid absolute EBITDA performance in recent years.

Financial Director’s report [continued]

Trading and profitability

R13,7 billion Value of business total (2024: R13,2 billion)	3% EBITDA growth to R330,1 million (2024: R320,5 million)
R136,6 million Headline earnings (2024: R91,8 million)	175 cents Headline earnings per share (2024: 117 cents)

Cash and capital allocation

13% ROFE (2024: 12.2%)	1.7 X Net debt to EBITDA (2024: 1.8 X)
0.35 Net debt-to-equity ratio (2024: 0.38)	4.1 X Interest cover ratio* (2024: 2.7 X)

* Interest cover in relation to EBITDA

OUR CONSOLIDATED TRADING AND PROFITABILITY

Value of business

The Group uses value of business transactions as a key measure of performance, rather than revenue. This is primarily due to the natural fibre brokerage and livestock divisions, which earn revenue through agent commissions.

Value of business increased by 3.8% to R13,7 billion from R13,2 billion in the prior year. The Livestock and Properties Division’s value of business increased by 14.1% to R5,3 billion, while the other divisions’ value of business was in line with the prior year. Pinnacle Fibres missed out on recognising a substantial export shipment at 30 June 2025 due to delays at the Gqeberha harbour.

Gross margin

Gross margin, as a percentage of value of business, was 9% (2024: 9.8% for continuing operations). The Fibre Division attracted lower commissions through auctions while Pinnacle Fibres margins were lower because of the effective import tariffs. Atlanta Sugar could not replicate its prior year margin performance due to lower demand during the year.

Expenses

The Group’s operational and admin expenses¹ increased by 2.8% to R1 billion and constituted 7.3% (2024: 7.5%) of value of business, and 14.8% (2024: 14.6%) of revenue. Expenses include R8,2 million loss on disposal relating to the lucerne press as well as elevated doubtful debts provisioning and legal costs on a significant long outstanding customer.

¹ Calculated on the basis that expenses of R56,23 million relating to discontinued operations are excluded from the prior year.

Earnings per share and dividends

The table below outlines earnings per share and headline earnings per share performance.

	FY25 (CENTS)	FY24 (CENTS)	CHANGE [%]
Earnings per share (EPS)	168	111	51
Net loss on disposal, as well as impairments of property, plant and equipment, were the main adjusting items between earnings and headline earnings.			
The Board is pleased to be able to propose a gross dividend of 50 cents per share (2024: 33 cents), which is in line with targeted and historical dividend cover of approximately three times earnings.			

Financial Director’s report [continued]

OUR CONSOLIDATED CASH AND CAPITAL ALLOCATION

The Group uses ROFE as an internal measurement across the business. ROFE measures operating profit performance on funds employed, which excludes cash, short-term borrowings and taxation. This measure impacts behaviour at an operational level and is ingrained within the Group’s culture, which informs/governs its focus and decision-making.

The Group achieved a ROFE of 13%, against 12.2% in the prior year.

Operating profit increased by 6.8% to R267 million, while funds employed, at year end, was in line with the prior year.

Two properties with a combined book value of R45,5 million relating to the discontinued operations are included in funds employed at year end. Both properties attract rental income and one of the properties is in the process of being sold, subject to environmental related conditions. The Group was able to sell and recover the balance of non-operating assets with a total book value of R79,8 million during the year.

The Group’s capital allocation strategy is to maximise shareholder value. We prioritise the following according to ranking:

- 1. Investing through maintenance and expansion capital expenditure to sustain organic growth. The expansion project at the Betlehem grit mill is well underway and should deliver good returns.
- 2. Returning funds to shareholders through dividends.
- 3. Continuously evaluating current businesses in terms of optimal ROFE and strategic fit.
- 4. Seeking opportunities for bolt-on acquisitions. Recent bolt-on acquisitions include Farmervet/Provident (FY23) and Wool Partners Inc. Further opportunities are currently being considered, mainly within PaKHouse Brands.
- 5. Seeking opportunities for larger mergers or acquisitions, both locally and abroad.
- 6. Returning excess capital to shareholders through share buy-backs. The group bought back 493 950 shares through an odd lot offer and started buying back limited shares through a general buy-back scheme before the current closed period.

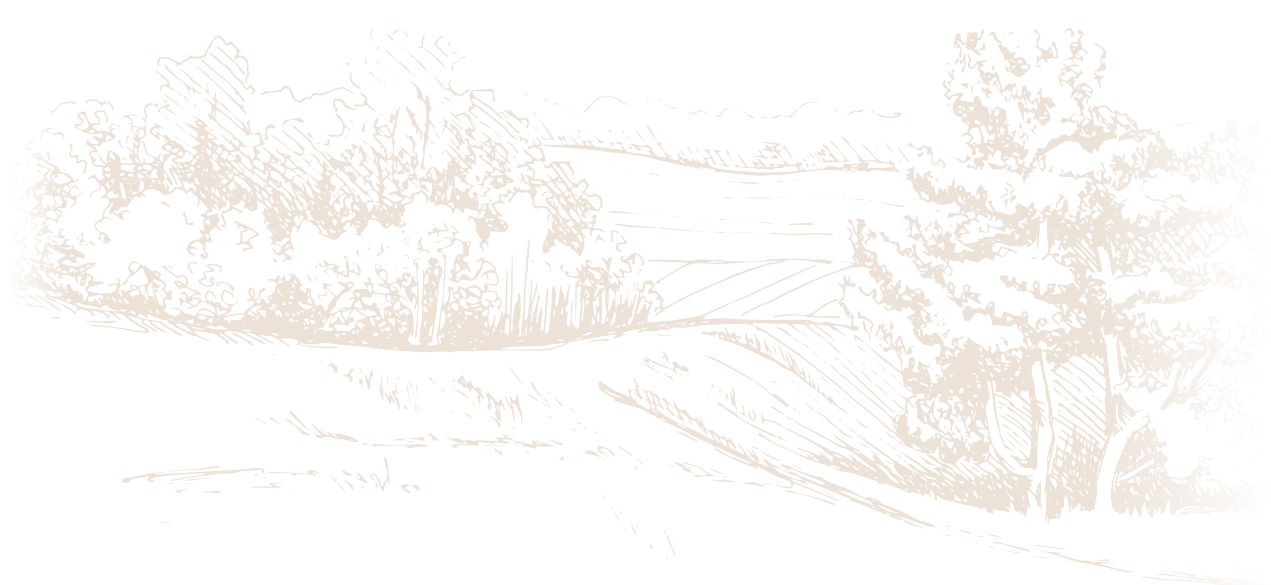
WORKING CAPITAL

At year end, inventory levels were 29% higher at R789,9 million (2024: R612,9 million), mainly driven by slower sales in the last quarter in Fibre, Retail and Fuels as well as Atlanta Sugar/Consumer Goods divisions.

Trade receivables of R1,01 billion were in line with the prior year. The prior year included receivables of R59 million from the sale of the raisin business, all of which were recovered during the year. Livestock debtors increased 10.1% to R264 million due to increased business at higher prices towards the end of the financial year.

The total loss allowance for impairment, as a percentage of the gross debtors’ book, was 7.1% (2024: 6.9%). The overall quality of the debtors’ book improved, especially in the livestock business.

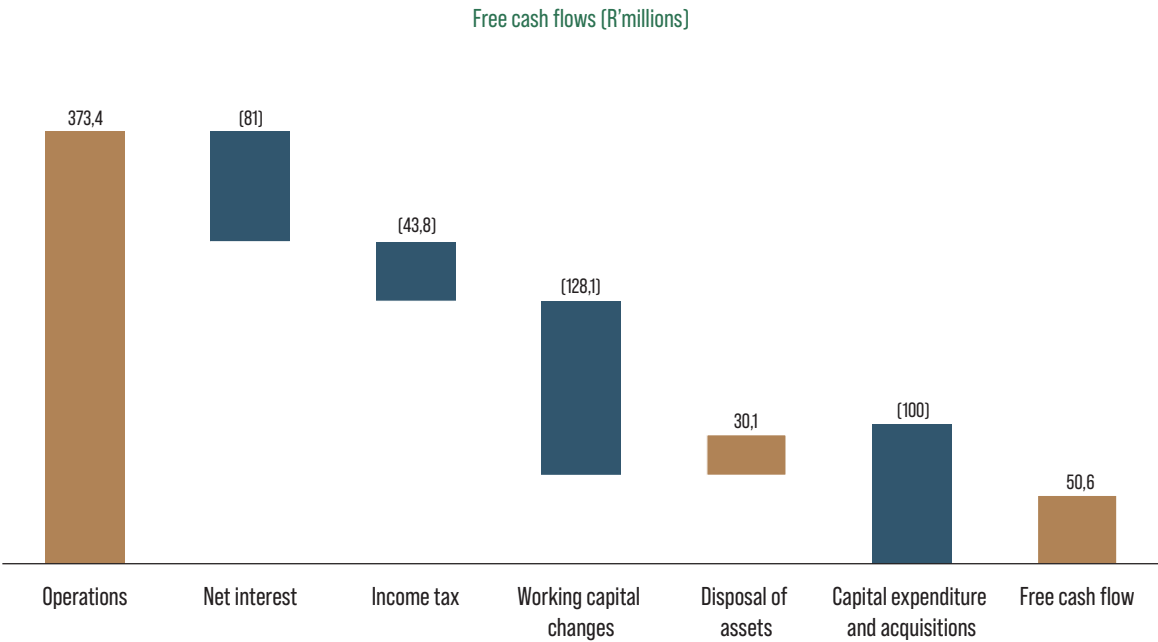
A conservative credit appetite and strict approval criteria remain in place in response to the Group’s assessment of the prevailing economic climate. The Group is continuously looking for opportunities to improve processes around credit approval and its monitoring.



Financial Director’s report [continued]

FREE CASH FLOW

The Group reported free cash flow of R50,6 million (FY24: R445,8 million). The prior year free cash flows were enhanced by the release of working capital following the discontinuation of Desert Raisins operations. We generated robust cash flows from our operations and the disposal of non-operating assets. These cash flows were reduced by the grit mill expansion project as well as elevated inventory levels towards year end.



CAPITAL EXPENDITURE

Capital expenditure for the year was R100 million (2024: R70,4 million). Capital expenditure included R45,2 million relating to the Bethlehem grit mill expansion. The project is expected to be fully commissioned before December 2025.

Other capital expenditure includes further retail branch and fuel station upgrades as well as vehicle replacements.

GEARING

As at 30 June 2025, the Group’s net debt-to-equity ratio was 0.35, down from 0.38 in the prior year.

The Group has sufficient credit lines and liquidity for the foreseeable future and enjoys the continued support of its banks and financiers.

OUTLOOK

The constrained trading environment in the Fibre division is likely to continue in the short to medium term. The division will focus on optimising warehousing and product handling costs. The livestock division should continue its upward momentum. Performance expectations in the other divisions remain strong, supported by the excellent summer grain harvest and the commissioning of the expansion project in Betlehem. The Group remains well-positioned to selectively look for growth opportunities externally and organically.

The Group remains committed to further improving ROFE, which aligns with management’s long-term performance target range of WACC plus 2% to WACC plus 4%. The Group’s current WACC is 13.9%.

APPRECIATION

I would like to thank the finance teams across the Group for their continuous commitment and support, especially in this complex and demanding year.

As always, I extend my thanks and gratitude to the Board, my colleagues, and our stakeholders, particularly financiers and bankers.

Jannie Van Niekerk

Jannie van Niekerk
Financial Director

8 September 2025

Natural Fibre



PROFILE AND STRATEGIC FOCUS

BKB is a leading broker and trader of wool and mohair in South Africa, Lesotho, and the United States of America. We also provide specialist technical and advisory services to support our clients in the production and marketing of their products. We also assist with warehousing and logistics services.

Our service delivery is anchored in the expertise and experience of our skilled team. To ensure continued relevance and sustainability, the division focuses on:

- Facilitating an efficient, transparent, and competitive marketplace for its products
- Developing and maintaining market access for its producers
- Providing efficient logistical services
- Advising producers on production efficiency, focusing on genetic improvement
- Supporting producers with a comprehensive range of value-added services to enhance profitability
- Supplying high-quality wool and mohair to textile mills across the globe

PERFORMANCE IN 2025

Financial and strategic performance

The value of business totalled R3,8 billion, in line with the prior year (2024: R3,7 billion). International wool prices remained depressed due to global macroeconomic and geopolitical factors, resulting in lower commissions earned.

The division made further progress in lowering its fixed cost base. Despite this, EBITDA at R113,1 million was 21% lower than the prior year.

AVERAGE FIBRE PRICE (R/KG)			
	FY 2025	FY 2024	VARIANCE [%]
Wool	88,47	90,17	(2)
Mohair	275,18	303,70	(9)

2013 to 2018: Strategic investments and new platforms

Producer margins remained under pressure with high input costs and no recovery in wool prices during the year. Some producers, particularly those that operate at a smaller scale, were forced to either change from wool-bearing sheep to meat-oriented breeds or exit the industry altogether. Stock theft and losses due to predators compounded the price pressure, further discouraging participation in the sector.

In contrast, premiums for RWS certified wool increased to acceptable levels. This reaffirmed South Africa's position as a preferred sourcing destination for responsibly produced wool.

Pinnacle Fibres (wool)

Pinnacle Fibres' performance was materially affected by reduced demand and pricing uncertainty resulting from the tariff dispute between the United States and China in the second half of FY25. China's counter-tariffs restricted the export of wool from the United States into the Chinese market, elevating inventory levels and eroding profitability.

In South Africa, a major export shipment scheduled for dispatch by the end of June, was delayed and only shipped in July 2025 due to congestion at the harbour in Gqeberha. This had a negative impact on the division's full year results.

Despite these setbacks, Pinnacle Fibres remains a fundamentally sound business, with a healthy order book and improved forward visibility. Management is continuously considering measures to strengthen operational resilience and manage financial risk.

BKB, through BKB Pinnacle Fibres, entered the first contract supplying NXT wool to the H&M Group.

The House of Fibre (mohair)

The performance of The House of Fibre was impacted by severe market volatility. In contrast to previous cycles where demand increases typically persisted for a year or more, recent recoveries have been short-lived, likely due to ongoing global political instability and economic uncertainty and pressure on consumers.

Despite these headwinds, The House of Fibre continues to gain ground in a highly competitive environment. Local market share increased from 65% to 68%.

Premium mohair pricing highlights producer excellence

A highlight of the year was the consistent achievement of high prices by The House of Fibre-affiliated producers, a testament to the quality and care embedded in their production systems. Among the most exceptional examples was a kid mohair bale from Mr Ray Hobson of Steytleville, which sold for R930.00/kg. This 22-micron bale, purchased by Standard Wool, represents one of the highest prices achieved during the season.

The sale highlights the quality South African producers can achieve, affirms global demand for responsibly sourced mohair, and reinforces The House of Fibre's leadership in premium fibre marketing.

Natural Fibre [continued]



DSS

DSS supports 210 small livestock herds, using tailored models to meet diverse management needs. As the programme grows, so does the depth and value of the data collected – revealing patterns that enable more informed, practical solutions. Importantly, producer demand continues to rise as more farmers recognise the value of data-driven decision-making in improving their operations.

Over the past financial year, our efforts have been concentrated on advancing system automation to enhance operational efficiency. This positive momentum reflects the system’s evolving role in supporting sustainable and informed livestock production across the sector. For example, the platform also helps producers understand how the carrying capacity of their land affects the livestock flock size.

“ We have observed a steady increase in farmer engagement, with a growing number of producers integrating data insights into their daily management practices. ”

Case Study

Supporting our producers to turn data into decisions – insight into DSS

South African livestock producers typically collect substantial amounts of operational data using traditional record-keeping methods like books and manual systems. This data is then not converted into actionable insights that could optimise operations, limiting producers’ ability to make informed decisions about animal management and farm productivity.

BKB introduced the DSS platform in 2021, after observing a real need for improved information systems. DSS was launched as a comprehensive digital solution that transforms fragmented farm data into meaningful information. The system:

- Captures key data on individual animals.
- Highlights top and bottom performers in the herd or flock, sometimes revealing significant productive capacity variations between animals.
- Integrates environmental data to align animal performance with sustainable grazing capacity and ecological health.
- Supports global market requirements by supplying verified traceability and sustainability metrics for retailers and brands.

The system is supported by a team of field agents and technical advisors who jointly interpret findings with the producers they support.

It was important to BKB that the system was inclusive and could support large commercial farms as well as producers with only a few animals.

Producers have expressed overwhelmingly positive feedback about the DSS platform. The system has enabled farmers to optimise their animal efficiency significantly by, for example, focusing resources on the most productive animals. This enables farmers to maximise their herd or flock’s productive capacity per rand spent.

Some small-scale producers have reported making substantially more profit from the same number of animals through better management decisions informed by DSS insights.

This shift from fragmented data collection to comprehensive information systems has transformed how farmers understand and manage their operations. Doing so has created a complete feedback cycle that closes information gaps and drives continuous improvement.

As one DSS user explained the transformation:

“ Data is like a lot of random Lego blocks. When you put them together, you get information that tells the whole story. ”

OUTLOOK AND PRIORITIES

The outlook for natural fibres continues to reflect subdued demand and price volatility, limiting international trade. Globally, consumer spending still appears to be depressed, with key markets such as China and Europe experiencing a muted economic growth rates. Exporters are also navigating increased complexity due to currency movements, logistical challenges, and rising sustainability expectations. However, long-term trends, such as growing demand for natural and responsibly sourced fibres, are expected to support renewed interest in certified South African wool over time.

New initiatives and priorities for FY26

The division will focus on:

- Stabilising our trading business, Pinnacles Fibre
- Advancing our support services (economic analysis and DSS) to assist producers to improve their financial decisions
- Finding markets for NXT wool
- Considering opportunities to enhance efficiency, including possible centralisation of storage and handling operations on one site.

Livestock and Properties



PROFILE AND STRATEGIC FOCUS

The Livestock and Properties Division focuses on marketing livestock, agricultural equipment, and various property types (residential, farm and commercial) through auctions and direct transactions. The divisions traded under the brand names BKB Livestock and Auctioneering and Home and Hectare Real Estate.

PERFORMANCE IN 2025

Financial and strategic performance

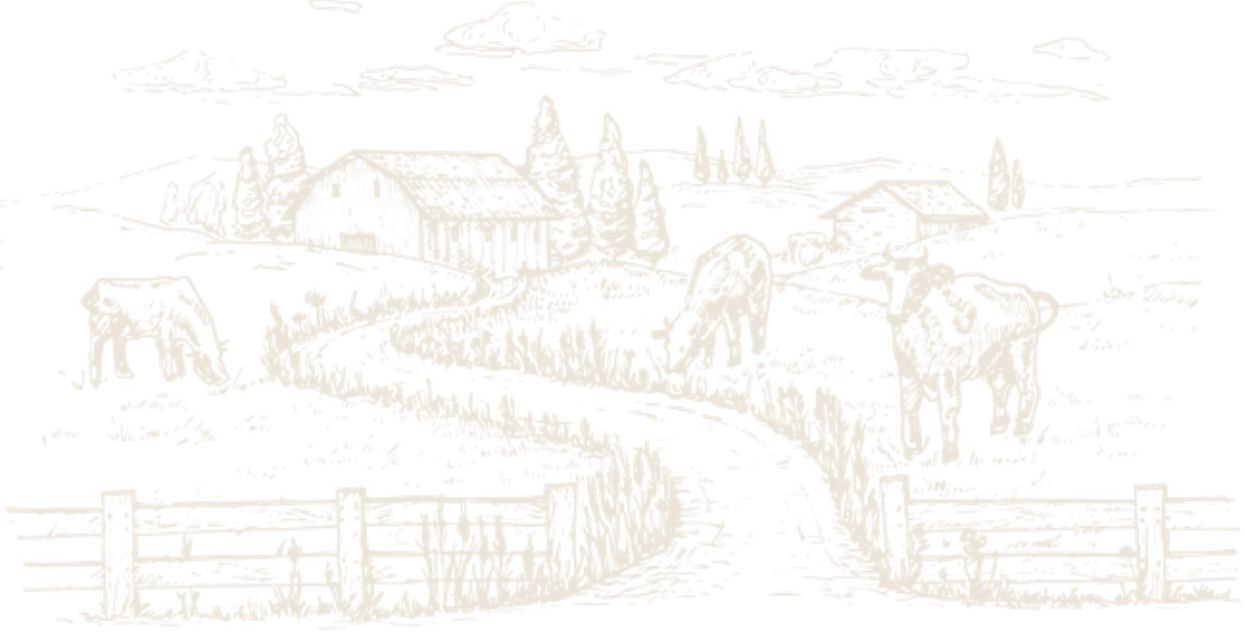
Challenging market conditions persisted, although red meat prices strengthened in the second half of the financial year. Elevated international prices combined with limited local supply lifted domestic prices. Strategic initiatives driven through online auctions and alliances with key customers contributed to an increase in the number of animals traded.

Outbreaks of foot-and-mouth disease in the Eastern Cape and KwaZulu-Natal disrupted animal movement and negatively affected auction activity. Bad debts continued to pose a challenge, but we limited the impacts through disciplined debtor management.

“ Despite these headwinds, the division improved its profitability and delivered a strong overall performance. ”

The property business experienced a turnaround, marked by a significant increase in the sale of farm properties. However, the residential market remained under pressure.

The total value of business increased from R4,7 billion to R5,3 billion, and EBITDA grew by 56.7% to R43 million.



OUTLOOK AND PRIORITIES

We expect growth in South Africa’s meat exports to further support price stability and stronger prices in the medium term. We also expect property trading conditions to remain similar for the next financial year, while the current interest rate cycle should bring some relief for residential property buyers.

New initiatives and priorities for FY26

Livestock

The division remains committed to investing in well-designed auction infrastructure and strengthening biosecurity measures. We expect to see benefits from the upgrade of our auction facility in the Swartland region which is in progress.

Properties

We strive to maintain an entrepreneurial culture across the business. A key focus area is the development of a strong real estate brand within the high-value property sector. Bolt-on acquisitions of property agencies will remain a core growth strategy for Home and Hectare. We are actively re-evaluating our traditional real estate model, adopting innovative approaches aimed at retaining and attracting high-performing agents.

Retail and Fuel



PROFILE AND STRATEGIC FOCUS

The Retail and Fuel Division continues to play a pivotal role in driving the Group's growth and innovation. The division consists of 62 business units, including retail shops and commercial forecourts across the country, distribution centres and a veterinary wholesale business. The division provides support to both commercial and subsistence farmers. Although livestock farmers remain a priority, the diversification in the product range caters to a broad spectrum of agricultural producers and the general public.

PERFORMANCE IN 2025

Financial performance

The value of our business transactions declined by 2% to R2,4 billion (2024: R2,7 billion). Demand for feed in the Karoo region was lower due to higher rainfall in the area. Late summer rainfall in and around Mpumalanga delayed the harvest season, which impacted the buying power of producers in the latter part of the financial year.

Profitability was in line with the prior year despite reduced turnover. Fuel sales volumes increased by 3% year-on-year, supported by upgrades and revamps of BKB Retail and Fuel sites. The division remained focused on product expansion and diversification, waste reduction, and working capital optimisation.

EBITDA decreased by 6.2% compared to the prior year.

Strategic performance

Strategic actions that influenced results include:

- Installation of solar systems across most branches ensured business continuity and supported cold chain standards for veterinary products
- Adoption of AI-supported software assisted in more standardised product ranges, improved stock availability and price management
- Upgrading fuel sites at selected branches which stimulated fuel sales growth

OUTLOOK AND PRIORITIES

The Retail and Fuel Division has proven that its wide product range and geographic footprint can withstand market challenges and inconsistent weather patterns. The recent upgrades to fuel sites, improvements in site presentation, and expansion of forecourts should continue to stimulate demand. Ongoing initiatives such as product diversification, waste minimisation, and effective working capital management are expected to continue to strengthen operations.

Solar systems ensure operational reliability and support product quality, particularly in the veterinary sector. Solar systems were installed at all of our owned sites and we continuously assess the feasibility of installation at our other sites.

Continued use of AI-powered software aims to improve stock availability and price competitiveness. In addition, our focus on cost management ensures operational resilience and enhances our ability to respond to new challenges and opportunities.

New initiatives and priorities for FY26

- Broadening our product offering, including inputs for grain production
- Enhancing data connectivity, especially in rural locations
- Partnering with retail brands to complement our product offering and overall customer experience
- Store and fuel station upgrades remain a priority, in line with a strategic plan to ensure all our stores remain fit for purpose

PaKHouse Brands



PROFILE AND STRATEGIC FOCUS

PaKHouse Brands is the holding company of the Group's agro-processing businesses. We procure, store, process and market grains and consumer goods. PaKHouse businesses are managed in two segments, namely Consumer Goods and Grains, to ensure optimal focus and alignment of resources.

The businesses possess processing and storage facilities, all operating according to various accredited standards and best practices. Production and storage facilities are strategically located throughout South Africa and Eswatini.

Our strategic focus is to achieve world-class commercial execution every day in all our businesses. The leadership team understand industry dynamics and are involved in strong partnerships with producers, industry bodies and clients. The culture and mindset is one of measurement, innovation and growth. Our employees work in an environment where their contributions are valued, and innovative ideas are implemented and rewarded.

The businesses in PaKHouse complement the Group's growth strategy. They also have the potential to grow organically, and for bolt on opportunities. Any growth and new businesses will only be considered if they strengthen our competitive position.

PERFORMANCE IN 2025

Financial and strategic performance

PaKHouse Brands outperformed expectations after concluding a large restructuring project during the previous financial year. Operating profit increased 60% to R135,2 million with a reduction in average funds employed in the division from R511 million to R391 million.

Consumer Goods

Value of business increased 7.8% to R1,3 billion (2024: R1,2 billion). Subdued demand from informal markets during the second half of the year and cheaper imported sugar resulted in margin pressure and increased stockholding. The division managed to outperform targets, reporting EBITDA of R78,4 million, still a strong performance despite being 5.7% lower than the prior year's performance.

Continued improvement in operational efficiencies, together with strict working capital management, were some of the key factors supporting the ongoing excellent performance of the division.

The leadership's mindset of supplying great value at a lower cost point to our customers remains the principle behind growing our brands and building lasting relationships with over 250 retail outlets.

Grains

Value of business growth increased by 7.8% to R895 million (2024: R831 million, excluding discontinued operations). EBITDA of R75,1 million was 26.3% lower (2024: R101,9 million, excluding discontinued operations) and working capital was managed at lower levels.

The grain storage business handled a lower volume than expected, mainly due to a slow 2024 as well as a delayed 2025 summer grain harvest. Higher average commodity prices, together with an increase in soya production, mitigated some of these losses.

Optimised milling capacity in the Bethlehem grit mill resulted in sales volume growth. This is a welcome result given sales pressures faced in the snack grit market due to the local spaza shop crisis. Informal stores went through a period of increased inspections and mandatory requirements following a series of food poisoning incidents linked to contaminated products. This inevitably adversely affected demand. None of our products were involved.

The business maintained its disciplined approach towards working capital management, while growing revenue and strengthening its market share. The mill is continuously measured on overall equipment effectiveness, supporting its goal of on-time delivery to our customers.

In a highly competitive maize commodity environment, the leadership of the Grain division remains focused on value-adding services to support customer success. To reinforce this, a comprehensive employee engagement programme was introduced to deepen a high-performance culture.

Case Study

Modernising and refocusing BKB Fuel

Over the past several years, BKB Fuel has undergone a significant transformation, driven by a strategic decision to evolve beyond its roots as a primarily diesel-only supplier.

Before 2018, most BKB sites sold only diesel, limiting both service offerings and market reach. With a portfolio of 46 fuel retail licenses, we recognised the need to revitalise fuel operations to better serve the South African market and improve customer experience. We revamped fuel outlets, converting many into full-service forecourts or streamlined sites with enhanced amenities such as pay-at-the-pump facilities.

These upgrades also improved operational efficiency. By increasing fuel storage capacity at branches, we enabled larger deliveries to each site, improving transport logistics and reducing per-litre delivery costs. We formed strategic partnerships with major fuel suppliers Engen and Total, co-branding certain forecourts. These collaborations strengthened brand visibility and helped ensure a consistent supply of high-quality fuel.

At the same time, we disinvested from forecourts where we did not own the land or equipment. Although this initially reduced total fuel volumes, it improved profitability by focusing on core, high-potential assets.

BKB Fuel's response to market challenges demonstrates flexibility and adaptability, and a clear focus on service, long-term growth and efficiency.

PaKHouse Brands [continued]

OUTLOOK AND PRIORITIES

Maize and oilseed harvest volumes across the country have exceeded those of the previous season, driven by improved annual yields. The current outlook for the upcoming winter crop season is also positive, supported by favourable winter rainfall in the major production areas across the Western Cape.

We foresee a stable local and global sugar industry with a positive outlook for the short term. Abnormal weather patterns and import tariff regulations continue to be one of the major factors impacting the stability of the industry.

New initiatives and priorities for FY26

- The three main priorities for the upcoming financial year are:
- The successful commissioning of our mill upgrades at Gritco
 - Ongoing product development through our in-house incubation hub for potential value-added products
 - The development of complementary raw material supply for the consumer goods basket. The focus is to support the expansion of our distribution network, market penetration and continued growth in our customer base

Case Study

Strengthening focus and performance at PaKHouse Brands



SUBSTANTIAL INVESTMENTS MADE DURING FY25 HAVE MADE OUR BETHLEHEM GRIT MILL A WORLD-CLASS FACILITY.

PaKHouse Brands was created to diversify the Group’s business beyond its traditional agriculture-linked activities in fibres, livestock and retail branches. In the past five years, we have restructured the business to sharpen strategic focus and improve performance.

We exited non-core and underperforming operations and concentrated on areas with stronger long-term potential. In the Gritco milling business, we scaled operations, reduced overheads, simplified the product range and shifted focus to business-to-business sales of yellow maize and grit. This included closing a regional mill and office, integrating teams on-site and sourcing maize directly through trusted suppliers.

We introduced a simpler organisational structure and a new performance system. Managers are based on-site and track daily KPIs linked to quality, speed and cost. These KPIs are directly linked to a practical and powerful performance metric that is central to our Group strategy: ROFE. Tracking this metric at both a Group and operational level supports clear and accountable decision-making and draws a clear link to the strategic indicators.

These changes have strengthened the business. In 2025, PaKHouse delivered strong operational and financial results and completed the successful expansion of Gritco. Growth will continue, but only where it aligns with strategy and supports the Group’s financial discipline.

Material business risks

Risk management

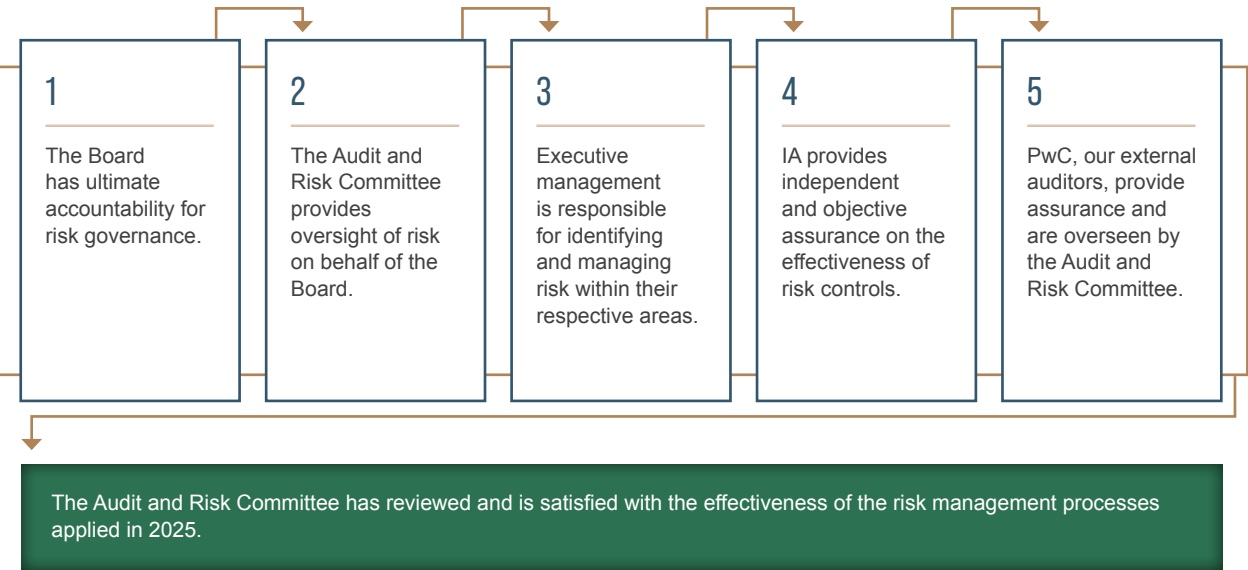
A disciplined approach to risk management helps us remain resilient in a dynamic operating environment.

BKB is exposed to risks that might, individually or collectively, impact the achievement of our business objectives. The Group also considers a range of opportunities that evolve based on markets, relationships and capabilities.

BKB continuously identifies, analyses and evaluates threats and monitors key risks to maximise opportunities and prevent or reduce losses. All risks are considered in terms of their impact, probability, and the existing mitigating control measures.

COMBINED ASSURANCE

Our risk management activities are supported by a developing combined assurance model that promotes coordination between internal and external assurance providers. This strengthens our control environment and improves the quality of reporting. During FY25 the group IA function has been strengthened and is making a significant contribution towards effective risk management across the Group.



Risk management [continued]

OUR TOP RISKS

The summary below outlines the main risks we manage in pursuing our objectives. It is not exhaustive and does not rank risks by materiality.

Risk and description	BKB's response
<p>Animal diseases</p> <p>Failure to protect the safety and welfare of livestock under our control might result in business disruption, losses and reputational damage. The impact of FMD may limit the movement of livestock and wool exports, which directly impacts business operations and volumes.</p>	<p>The Group cultivates good relationships with veterinary authorities and animal health suppliers. Biosecurity controls for livestock agents were developed and have been published in the Government Gazette. Our employees are trained in exercising biosecurity protocols, which have been extended to operations in Lesotho.</p> <p>BKB's national footprint lowers disease risk through geographic diversification. Our widely spread branch network enables us to allocate vaccination products to areas where outbreaks have been reported, thereby supporting producers as effectively as possible.</p> <p>The Group actively engages with the industry and other stakeholders to ensure effective lobbying and improved animal welfare practices.</p>
<p>Data security and cyber risk</p> <p>BKB's operations rely on information technology solutions, which expose the Group to the threat of cyber disruption and loss of data. More people are working remotely, increasing cyber-related risk. This is evident from ongoing cyber attacks on businesses.</p>	<p>We maintain a strong focus on information technology capabilities and continue to investigate and implement improved security measures.</p> <p>We made significant investment in cyber-related detective and preventative protocols and tools.</p> <p>Employee training and phishing attack awareness initiatives continued. BKB has a Virtual Chief Information Officer and relies on cyber awareness tools, third-party backup facilities, tightly restricted access to systems, data and infrastructure, intelligent password control and security software.</p> <p>Ongoing progress is demonstrated through regular external cyber risk assessments, including penetration testing and vulnerability scans.</p>
<p>Credit risk</p> <p>Providing finance is an essential part of BKB's service offering. The default of one or more significant debtors could have a material impact on the Group. Debtors are impacted by the economic downturn and high interest rates, which increased livestock debtors' credit risk levels.</p>	<p>BKB has a sound credit policy and related risk evaluation process. An expert team backs its implementation, supported by centralised vetting.</p> <p>The Audit and Risk Committee receive quarterly reports in addition to Credit Committee review and oversight.</p> <p>We evaluate concentration risk on individual debtors and updated livestock mandates.</p> <p>Regional managers have increased their focus on livestock debtors.</p> <p>Appropriate securities are obtained, and credit default insurance is in place for selected debtors.</p>

Risk management [continued]

Risk and description	BKB's response
<p>Business continuity</p> <p>Pandemics, disasters and other major disruptions can severely impact the Group's ability to conduct business. The safety of our people, customers, and the general community is at risk during such events.</p>	<p>We constantly monitor emerging risks and major threats and develop mitigating control measures as part of our enterprise risk management process.</p> <p>Divisions all have disaster recovery and business continuity plans. We have an IT backup system and off-site storage.</p> <p>Safety protocols are in place to protect employees.</p>
<p>Information technology</p> <p>Ineffective information technology (IT) systems can lead to operational disruptions, data reaches and inefficiencies. This can compromise the quality of information and service delivery, causing financial losses and reputational damage. We also risk over-reliance on third-party software.</p>	<p>BKB has an IT Governance Master Framework which is managed quarterly by an IT Steering Committee.</p> <p>We mitigate IT risk by investing in robust IT infrastructure, regular system updates, and cyber security measures.</p> <p>Legacy systems are being replaced by new applications and new software options are investigated.</p> <p>Data backup facilities and systems are tested through simulations.</p> <p>Service-level agreements with service providers are reviewed annually.</p> <p>We provide ongoing employee training to ensure the effective use of IT systems.</p>
<p>Loss of key customers and/or products</p> <p>Some of our business units have a few large customers. Losing one of these customers can cause a dramatic reduction in revenue and operational capacity utilisation.</p> <p>BKB is dependent on selling large volumes of a few products. Changes in demand can result in significant losses.</p>	<p>We foster strong relationships with customers and offer them exceptional service and tailored solutions.</p> <p>We develop new customer relationships, both locally and abroad. Livestock key accounts have been created.</p> <p>BKB increased processing capacity at facilities where customer demand is growing.</p>
<p>Governance, compliance and regulatory matters</p> <p>Governance, compliance and regulatory requirements are becoming ever more onerous. Non-compliance can have very severe consequences, both monetary and reputational. We keep track of governance, compliance and regulatory changes such as POPIA, FICA, Employment Equity and B-BBEE, carbon taxes, etc.</p>	<p>The Board provides oversight for all governance, compliance and regulatory matters.</p> <p>BKB's appointment of a Compliance Officer who is streamlining policies and ensuring all requirements are met.</p> <p>We are implementing software to assist with compliance monitoring.</p> <p>External experts assist where required.</p>

Risk management [continued]

Risk and description	BKB's response
<p>Political instability (infrastructure and service delivery)</p> <p>BKB operates in a politically uncertain environment. Government's inability to provide basic services such as general safety, electricity, water, efficient ports and good roads poses a risk to BKB. The deterioration of rural infrastructure in South Africa is a major concern.</p>	<p>BKB continues to implement solar energy solutions at its owned facilities. Off-site IT backup systems, fibre upgrades to remote sites and generators help mitigate this risk.</p> <p>The Group engages with industry associations that lobby government.</p> <p>We have safety protocols in place to protect employees.</p>
<p>Global conditions and country risks</p> <p>Ongoing geopolitical conflicts have disrupted supply chains and resulted in an increased focus on localisation. New trade barriers, such as Europe's Green Deal, highlight climate requirements that can impact markets for export products.</p> <p>This can affect our ability to trade, to service our customers and can lead to financial loss.</p>	<p>BKB focused on proactive sourcing and securing products to sell.</p> <p>Export logistics are actively managed, and shipments are prioritised while focusing on cost savings across the business to mitigate increased logistical costs.</p> <p>BKB focuses on developing a climate-neutral, sustainable supply chain from farm to the end-consumer. BKB has appointed specialists and is working with various partners to mitigate this risk.</p>
<p>Variable weather patterns</p> <p>The agricultural industry is directly exposed to extreme weather conditions. Changing and adverse weather patterns can negatively impact crops during harvest time. Drought conditions can affect livestock, with the recovery process taking years.</p>	<p>Geographic diversification can mitigate weather impacts. BKB's diverse product segments further assist in mitigating this risk.</p>
<p>Food industry risk</p> <p>Substantial revenue is derived from the sale of products destined for human consumption. The risk of contamination or spoilage exists. While BKB exits the value chain before the product reaches the end consumer, such incidents have the potential to harm our brands which could lead to both claims and a loss of revenue.</p>	<p>BKB applies strict controls and exacting standards for the handling of product at all of its milling, processing and packing facilities. In addition to our own food safety protocols, these operations are subject to regular independent food safety and quality inspections and accreditation audits by customers (or their representatives) and regulatory agencies.</p>

BKB Group sustainability impacts

Our approach to sustainability

Our long-term success depends on the strength of our people, the health of the natural environment, and the prosperity of the communities we serve.

Guided by the triple bottom line of people, planet and profit, we continue to invest in the systems, partnerships and practices that create lasting value for all our stakeholders. We have built our sustainability priorities on top of this triple bottom line concept, as detailed below.

BKB SUSTAINABILITY FOCUS AREAS




Our approach to sustainability [continued]

OUR PRIORITY SDGS

We align our sustainability efforts and contributions to the SDGs that we have identified as most relevant to our business.

HOW OUR SUSTAINABILITY CONTRIBUTION SUPPORTS THE UN SDGS




13

CLIMATE ACTION

Take urgent action to combat climate change and its impacts.

BKB implements renewable energy projects to use less electricity sourced from fossil fuels. We also facilitate the development of renewable energy projects by our suppliers.

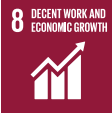


3

GOOD HEALTH AND WELL-BEING

Ensure healthy lives and promote well-being for all at all ages.

We have several initiatives and programmes to promote the health and well-being of our people and communities.




8

DECENT WORK AND ECONOMIC GROWTH

Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.

We have a policy of equal pay for equal work. We provide work opportunities in rural areas through direct employment and the enabling role we play in supporting producers. We prioritise transformation and inclusivity through Group targets.




15

LIFE ON LAND

Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss.

We promote regenerative agricultural practices among suppliers and source contracts for products produced in this manner.




4

QUALITY EDUCATION

Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.

Employee training is a priority, and we promote further employee education opportunities. We assist with access to schools in rural areas.



17

PARTNERSHIPS FOR THE GOALS


Strengthen the means of implementation and revitalise the Global Partnership for Sustainable Development.

BKB is a member of the Global Partnership for Sustainable Development. We support local agricultural businesses and producer organisations and groupings. Internationally, we play a significant role in the International Wool Textile Organisation.

Our approach to sustainability [continued]

SUSTAINABILITY MILESTONES FOR FY25

Environmental sustainability



85 farms

engaged in the multi-year H&M Biodiversity Restoration and Regenerative Land Management project

151

[2024: 105] producers participate in the BKB NXT programme


10,4 million kg

[2024: 11 million kg] of RWS wool traded

1,28 million kg

[2024: 1,5 million kg] of RWS mohair traded

Social sustainability



1 862

[2024: 1 838] employees

80.1%

[2024: 80.3%] (including white females) from designated groups

526


[2024: 523] female employees

1 336

[2024: 1 315] male employees

36

[2024: 34] employees with disabilities



76%

[2023: 70%] of employees attest to a high level of job satisfaction

76.3%


[2023: 62.5%] employees participated in the employee engagement survey

2.7%

[2024: 3.6%] employee turnover rate

BBBEE Level 8

[2024: level 8]



743

[2024: 976] employees received training

76

[2024: 89] employees benefit from our learnership initiatives

18

[2024: 18] employees participating in our development centre

16

[2024: 18] employees participating in further tertiary education

R1,3 million

[2024: R1,1 million] invested into BKB's Educational Bursary Trust supporting 180 [2024: 176] children with school and tuition fees

BKB 48

#SustainabilitySynergised
PEOPLE | PLANET | PROFIT

SERVICE EXCELLENCE | ENTREPRENEURSHIP | EARNINGS | EMPLOYEES | SUSTAINABILITY

#IntegrityIntegrated

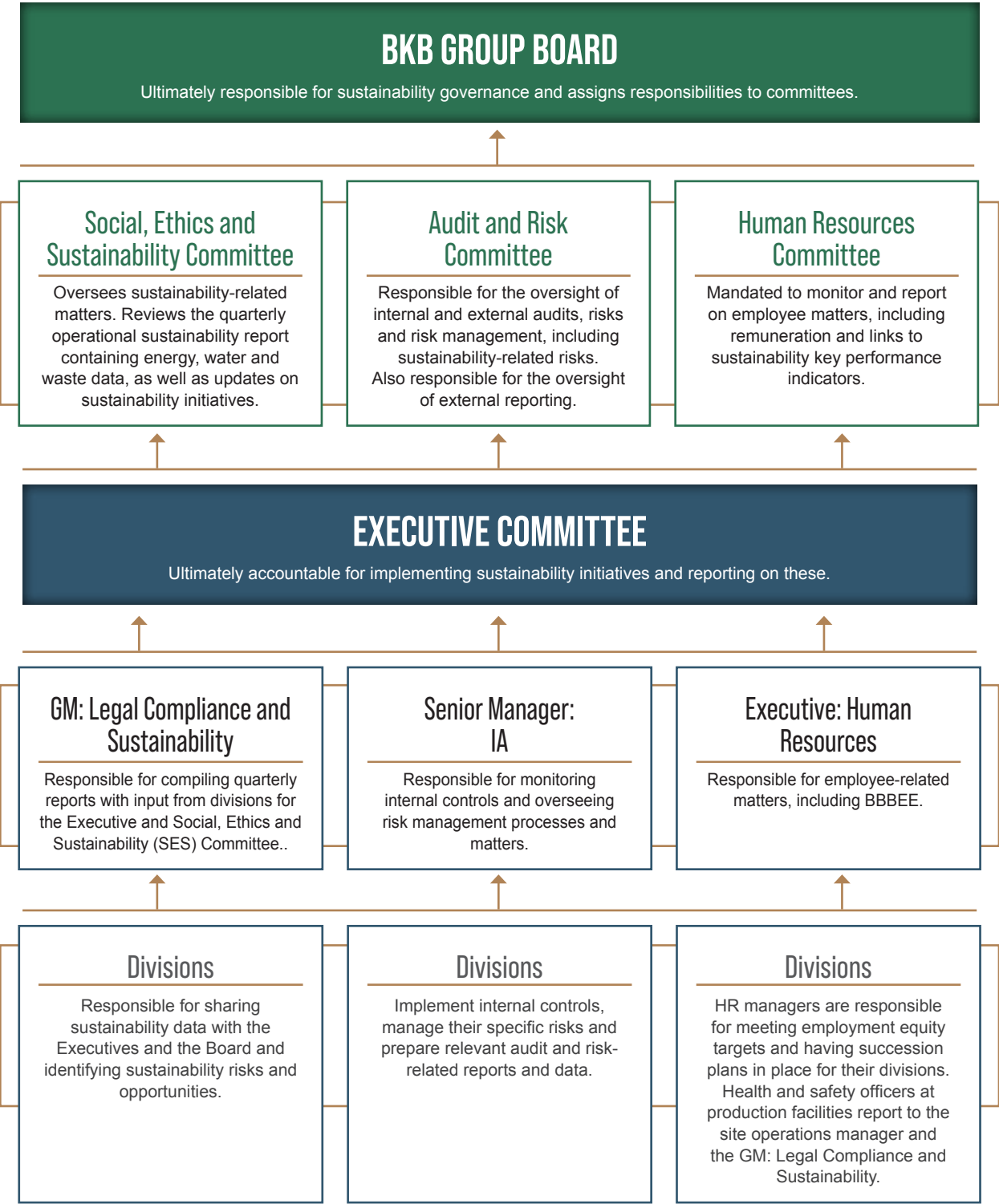
BKB 49

Our approach to sustainability [continued]

HOW WE GOVERN AND MANAGE SUSTAINABILITY

Robust governance forms the foundation of all that we do at BKB – including our commitment to sustainability.

Further details on our governance framework, including committee mandates, membership, meeting attendance, and key discussion topics, are provided in the governance section (see page 57).



Environmental sustainability

RESPONSIBLE SOURCING

NXT Regenerative Agriculture Programme

The NXT Regenerative Agriculture Programme is a BKB initiative that supports South African wool and mohair producers to adopt regenerative practices to ensure productivity on their farms over the long term. The programme is designed to position South African wool and mohair producers as preferred suppliers to a global market increasingly focused on environmental responsibility and rigorous sustainability reporting requirements.

NXT builds on the RWS and RMS standards developed by the Textile Exchange. RWS and RMS are global benchmarks that support producers to meet essential criteria for responsible production for responsible land and animal management. At present, BKB has 1 254 RWS and 345 RMS certified farmers in total.

NXT is not a certification, but a performance-focused, data-driven enhancement programme that supports producers to achieve the standards. NXT provides the framework, tools, and partnerships that enable producers to track, evaluate, and improve their ecological, social, and economic outcomes over time.

151 producers (2024: 105) actively participate in the NXT programme, representing a growing commitment to regenerative agriculture across the industry

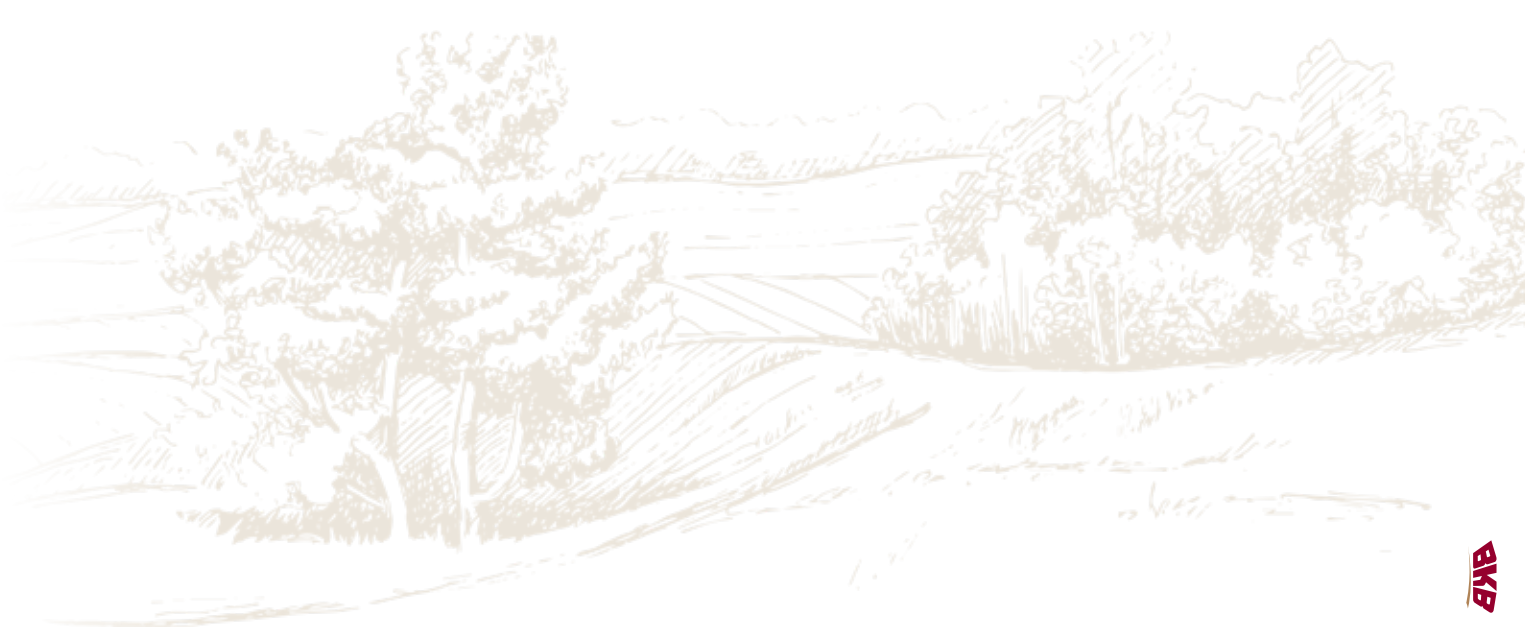
Three pillars of NXT

Planet NXT	People NXT	Animals NXT
Supports ecosystem health, biodiversity, and climate resilience by establishing baseline data points and tracking annual progress in environmental performance.	Recognises the vital role of growers in uplifting farmworkers and local communities, encouraging empowerment and improved livelihoods through targeted capacity building.	Prioritises animal health and welfare, highlighting best practices and recognising farmers who demonstrate exceptional care and dedication to their livestock.

Monitoring and environmental impact

Participating farms undergo comprehensive annual assessments using the Ecological Health Index (EHI), a scientifically validated tool for measuring changes in ecological function. We will use insights from the data collected to support our producers to make informed and adaptive management decisions.

“Data from the NXT programme supports producer decisions and feeds directly into brand traceability systems.”



Environmental sustainability [continued]

Capacity building activities

Beyond monitoring, NXT invests in knowledge sharing and capacity development. These efforts aim to build local capacity, encourage knowledge sharing, and embed regenerative thinking into everyday farm practices. A lot of the capacity building completed thus far was done in collaboration with the H&M project, described in more detail below.

Through its structured monitoring, stakeholder collaboration, and emphasis on capacity building, the NXT programme provides a foundation for continuous improvement for producers while supporting the sustainability goals of downstream value chain partners.

Case Study

Partnership with H&M: Regenerating land and rebuilding supply chain connections

THE VALUE OF THE ALBANY THICKET BIOMES



Key threats to the thicket biome include crop cultivation, urban development and overgrazing of livestock. Good livestock management can support the long-term presence of the thicket while enabling the livestock to thrive.

A typical symptom of overgrazing that occurs on farms is known as bush encroachment. This occurs when grass-dominated areas are degraded and taken over by tree-dominated plants. The result is that a limited number of species dominate the landscape, causing changes to the composition of plant (and therefore animal) communities. This change in equilibrium and loss of plant diversity can cause a decline in soil fertility, water filtration and carbon sequestration¹. Producers are intimately aware of these connections and were therefore eager to participate and learn through the H&M project.

CATALYSING REGENERATION THROUGH COLLABORATION

In 2022, the H&M Group initiated the Biodiversity Restoration and Regenerative Land Management project with several implementation partners. Given BKB's reach in South Africa's rural and farming regions, with a vast network of field specialists having regular engagements with producers, it made sense for us to join the programme as an implementation partner. The initiative focused on improving ecosystem health in South Africa's Albany Thicket Biome, a natural fibre region that supplies certified fibres to H&M.

The project supported producers to restore degraded grazing land using regenerative practices, developed in collaboration with field experts. Data was collected throughout to guide decisions and measure results, unlocking conservation and research opportunities that were previously out of reach.

The project formally concluded in 2024, but we will continue building on the learnings emerging from the project in collaboration with our producers.

Sheep and Angora goat producers that supply BKB with natural fibres are dependent on the health of the ecosystem and natural rainfall to sustain their livestock. A substantial amount of the land these sheep and goats depend on falls within the ecologically unique and sensitive Albany Thicket Biome located in the Eastern and Western Cape. This biome is known for its unique biodiversity and ecological fragility and is the home of many critically endangered succulents and bulbs. The thicket is typically dense and consists of tall plants protecting smaller plants from harsh microclimates, allowing both to thrive together.

A healthy thicket provides important benefits, including forage for animals, pollination, flood and erosion protection, and carbon storage.

“One of the most meaningful outcomes was the closer connection between farmers and H&M. Through regular engagement and data sharing, producers and H&M gained a shared understanding of on-the-ground realities and the impact of sourcing decisions.”

¹ Shannon, G., et al. (2016). Effects of bush encroachment on biodiversity and ecosystem function in southern Africa: A review. South African Journal of Botany, 103, 28-38.

Environmental sustainability [continued]

Supporting emerging wool growers' associations

Numerous donations and sponsorships were made to wool growers' associations in the Eastern Cape and communal shearing sheds. To support these farmers, typically emerging farmers, we hosted several meetings, farmers' days, and competitions, and also held training sessions. Total monetary donations totalled R680 000 for the year. Highlights related to this included:

Case Study

Mamfeneni Wool Growers Association ram donation

BKB donated 15 pure Merino rams to the Mamfeneni Wool Growers Association in Dutywa in March 2025.

We delivered 500 rams this year as part of our live ram provision initiative. Sourcing top-quality rams from registered stud breeders improves genetics and, in turn, improves sheep and wool production in the Kei region.



Case Study

Tsolo Wool Growers Association tour

30 producers from the Tsolo Wool Growers Association were given the opportunity to visit the Wool Testing Bureau, a wool auction, and BKB's warehouse. Emerging producers do not typically have exposure to other parts of their value chain, and thus found the experience insightful.

The initiative was sponsored by Mhlontlo Local Municipality, the Department of Agriculture, and BKB.



OPERATIONAL RESOURCE EFFICIENCY

Resource efficiency continues to be a priority for BKB. In FY24, our focus was collecting baseline data that we could use to track progress on key operational sustainability metrics, namely electricity consumption, solar electricity generation, diesel, water, emissions and waste. We currently track this data at Atlanta, Gritco, our wool stores and head office. With this data now being effectively recorded since October 2023, we have been able to observe trends and take meaningful action where necessary. This information is captured in a quarterly report that is submitted to the board.

The data shows steady electricity usage at Gritco, and increasing annual consumption at Atlanta matching increased production. The head office and wool stores saw a reduction in electricity consumption largely due to off-season factors and a subdued wool market. A solar installation at Atlanta and recent phased installations at our head office and wool stores (still in progress) have begun to deliver cost savings.

Diesel use declined year-on-year, reflecting reduced loadshedding and subdued wool market activity. Water efficiency improved notably, with a 13% reduction at Atlanta (despite higher demand) and a 52% decline at the wool stores and head office following leak repairs.

Recycling performance strengthened significantly, with a marked increase in both recycled waste volumes and associated CO₂ savings. One of our key waste-prevention initiatives this year was the asbestos management project, where we encapsulated 7 000 m² of asbestos-containing roofing with a protective barrier to prevent fibre release.

CONSERVATION

By supporting conservation efforts, we help safeguard natural resources and biodiversity, the very foundations our business relies on. This commitment reflects the long-term perspective that guides our decision-making.

Since 2018, BKB has supported the Mountain Zebra-Camdeboo Protected Environment project. This year, BKB's contribution amounted to R100 000. The project conserves biodiversity between two national parks while promoting conservation-aligned economic development. The project brings together private landowners and conservation partners to manage ecosystems sustainably and protect local species. It offers a collaborative, landowner-driven model that balances conservation with opportunity. The protected area now covers 268 343 hectares.

Social responsibility

Through meaningful engagement and open communication, we foster an inclusive and secure work environment – one where every employee feels valued, supported, and equipped to succeed.

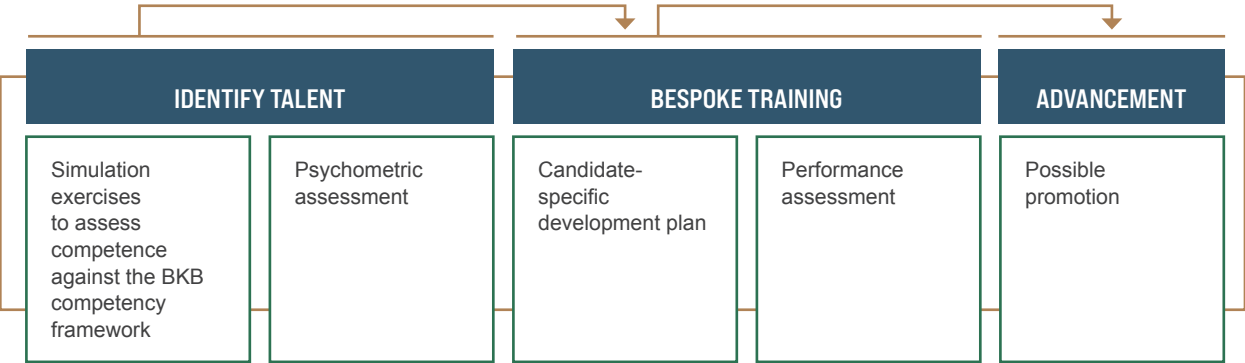
SKILLS DEVELOPMENT

BKB’s workforce includes many experienced employees, particularly in wool and other areas where technical skills are vital. To harness this expertise, we have extended the retirement age from 63 to 65 and introduced post-retirement contracts that support knowledge transfer. At the same time, we invest in the future through our development centre programmes and learnership initiatives, ensuring that critical skills are developed and retained within BKB.

Development centre

The development centre has trained 36 participants over two years, resulting in four promotions to senior management. The development centre provides us with a skills assessment tool and a system for developing a pipeline of talent.

Development centre approach



Learnership programmes

Through our learnerships, BKB provides accredited training opportunities that build practical skills and create pathways for career growth. Current programmes include:

- New Venture Creation NQF 2, Business Practice NQF 1 and Business Administration NQF 4 for unemployed and disabled learners
- Project Management NQF 4, Business Administration NQF 4, and Grain Depot Manager NQF 5

Human resources practices

With the successful completion of our strategic consolidation process, BKB enters a new phase of stability and growth. This phase requires human resources to focus on growth, talent development, and long-term workforce planning.

Health and safety

During the course of the year, we made a change to how health and safety is managed in the business. Within our production facilities, specifically our wool stores and Gritco we made internal health and safety appointments. This allows us to understand working conditions more intimately, and can therefore address potential situations before they become unsafe, and to react immediately to any situations that do occur.

Health and safety is now also a divisional management KPI, ensuring there are incentives to keep training up to date. We do training, specifically weekly toolbox talks, which covers a range of safety-related topics. These range from human resources-related matters to wellness and emotional stress.

As a result of these initiatives, the incident rate halved at these facilities. Enhanced health and safety practices also resulted in no significant findings relating to health and safety emerging from the SMETA audits which were done at our Atlanta and Gritco sites.

Social responsibility [continued]

Employee wellness

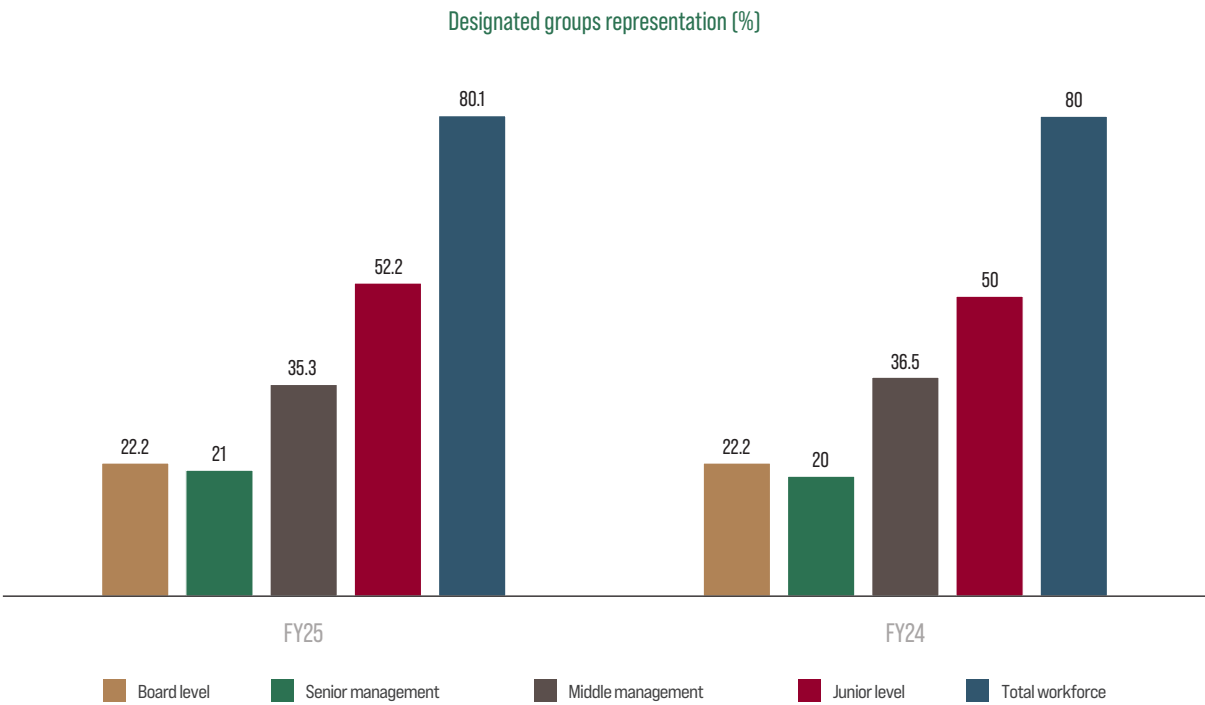
At BKB, we recognise that the wellbeing of our people is integral to our long-term success. Our ongoing focus on employee wellness has led to productivity improvements, staff turnover reductions, and a reduction in health and safety incidents.

Our comprehensive wellness programme includes access to free trauma counselling for employees and their families, an HIV/Aids Insurance Protector Plan, and medical support such as free antiretroviral treatment. In addition, we host quarterly wellness sessions in collaboration with healthcare and financial partners, offering practical guidance on topics including mental health and financial resilience.

224 employees made use of our wellness programme (2024: 165).

Employment equity and transformation

We are proud of the progress we have made thus far in transforming our Group. 80.1% (including white females) of the workforce is from previously disadvantaged groups. The disability target has been raised from 2% to 3%, with current representation at 2%. Awareness campaigns are being held to encourage disability disclosure under broadened criteria.



The Department of Labour released new employment equity targets which could significantly impact our business. A strategic workforce analysis is underway, including a review of training and development programmes to align with recent legislative amendments, with the emphasis on developing previously disadvantaged employees. This analysis will inform the targets and plan that will be submitted to the Department of Labour.

Priorities for the year ahead include a continued focus on employment equity and revision of our job grading to ensure that remuneration is on par with peers in our industry. A more robust monitoring and reporting system is being implemented to track key HR-related metrics, and maintenance and promotion policies are under review.

Social responsibility [continued]

SOCIO-ECONOMIC DEVELOPMENT

BKB endeavours to make a positive impact in all of the communities it operates in. This inspires us to give to deserving initiatives, regardless of their size and scale.

Case Study

Educational contributions

The BKB Educational Trust supported 180 (2024: 176) employees’ children, to the value of R1,3 million (2024: R1,1 million) in bursaries or school-related costs.

As part of our community CSI contributions, we also hosted numerous shows for natural fibre producers in Lesotho and sponsored several youth development initiatives at schools.

4 QUALITY EDUCATION

Case Study

Community event sponsorship

We sponsored numerous events demonstrating the strong bonds we have to agricultural communities. Events included:

- Barkley East Summer Festival 2024
- The Loxton Show
- Williston Agricultural Show

Some of these events also allowed us to support the youth – the next generation of agricultural leaders. Events also enabled us to contribute to uplifting both up-and-coming and experienced farmers.

4 QUALITY EDUCATION

Case Study

Harvesting Hope project

Through our Harvesting Hope initiative, we empower employees to nominate impactful projects that align with our commitment to social responsibility and our triple bottom line focus. This focus emphasises our commitment to creating impact beyond profit.

By supporting community-driven initiatives, we aim to create lasting value in the places we live and work: enhancing lives (people), safeguarding the environment (planet), and fostering stronger local economies (profit).

Some of the nominated projects are:

- Supply and installation of a container library at Republiek Primary School in Gqeberha
- Creating a vegetable garden for the Sterkstroom Community Church Soup Kitchen

3 GOOD HEALTH AND WELL-BEING

4 QUALITY EDUCATION

6 CLEAN WATER AND SANITATION

11 SUSTAINABLE CITIES AND COMMUNITIES

Case Study

BKB Retail Outreach

In partnership with JOJO, we sponsored a sensory garden initiative at Quest School for Learners with Autism, creating a therapeutic space designed to support students’ sensory needs.

This sensory garden is more than just a green space. It offers children a unique opportunity to connect with nature and engage their senses, supporting their need for peaceful environments. Our collective ambition is to ensure that the garden remains a vibrant, lasting resource for years to come.

4 QUALITY EDUCATION

11 SUSTAINABLE CITIES AND COMMUNITIES

Our approach to governance

The BKB Board is committed to providing satisfactory long-term returns to its shareholders while fulfilling its corporate governance obligations and responsibilities in the best interests of the company and considering the interests of its stakeholders. This report outlines the key aspects of BKB's governance framework.

In performing its role, the Board is committed to a high standard of corporate governance and to fostering a culture which not only focuses on compliance, but also places a high value on ethical behaviour, personal and corporate integrity, accountability, transparency and respect for others.

We operate an established governance framework to oversee the business and carefully prioritise time spent on strategy and increasing shareholder value, while maintaining an appropriate level of oversight on risk and balancing the interests of stakeholders. The Board regularly reviews the framework against best practice and shareholder expectations. BKB's governance policies and procedures are guided by the principles outlined in King IV.

The Board believes that the governance policies and practices applied by BKB during the reporting period ended 30 June 2025 reflected good practice and met stakeholder expectations.

Governance report

The Board of Directors

ROLE AND RESPONSIBILITIES

The roles, functions and responsibilities of the Board are set out in its Charter, which is reviewed annually. The Charter also defines the roles of the Chairman and individual directors, differentiating between the those matters and responsibilities specifically reserved for the Board's determination and those delegated to the MD and executive management. The MD, supported by his executive team, is responsible for the day-to-day management of BKB and its businesses.

The Board maintains ultimate responsibility for the strategy and control of BKB and its business. The Board holds management accountable for the performance of its delegated functions. In doing so the Board effectively and constructively challenges management's proposals and decisions and seeks to instil a culture of accountability throughout the BKB Group.

The Board's key responsibilities are:

- Approving the vision, mission, values and strategic direction of the BKB Group
- Setting the tone and leading BKB in an ethical, effective and responsible manner
- Guiding and monitoring the management of BKB and its businesses in accordance with the vision, mission, values and strategic plans
- Overseeing good governance practice across the Group
- Ensuring the sustainability and sound financial position of the business
- Setting the Group's risk appetite and putting appropriate risk management, internal controls and regulatory compliance policies and procedures in place
- Appointing the MD and approving the remuneration of, and review the performance of the MD and executive management
- Defining levels of authority for management

The Board meets quarterly.

In fulfilling its role, the Board's key focus areas in 2025 are set out below.

Overseeing performance, strategy and implementation	Satisfied itself with management's implementation of the strategy and strategic plans. The Board also reviewed and provided input into the business operations and divisional strategic plans that are likely to impact long-term shareholder value. This included strategies to address areas of underperformance and reposition the portfolio of businesses.
Business environment and trends	Monitored changes in the domestic and global external environment, including economic developments affecting key markets, supply chain pressures, and management's strategies in relation to these matters.
Share reduction scheme	Oversaw the odd-lot offer made to shareholders as part of the company's drive to optimise the number of shareholders.
Pinnacle Fibres/acquisition in United States	Monitored the continued development of the Pinnacle Fibres business and oversaw the acquisition of a wool trading operation in the USA.
Risk management	Reviewed the Group's Risk Management Framework and provided oversight of the implementation of risk management policies and practices. This included monitoring elevated credit risk and mitigation measures.
Growth opportunities	Monitored and evaluated new growth opportunities and potential acquisitions to complement the Group's existing portfolio of businesses.
Sustainability/ESG	Oversaw the management of sustainability risks, including monitoring and reporting of the Group's performance in respect of key sustainability initiatives and their implementation.
Cyber risk	Evaluated cyber security and data protection across the Group and oversaw the implementation of measures to manage those risks.
Cash flow	Monitored the Group's cash flow performance, financial position and banking arrangements, including compliance with banking covenants and credit ratings.
Internal audit	Provided oversight and support for the continuing development of an effective IA function.
Remuneration	Provided oversight of the Group's remuneration policies and framework and the remuneration outcomes for senior management.
Charters and policies	Approved the Charter of the Remuneration Committee and the updated charter of the Audit and Risk Committee.

The Board of Directors [continued]

BOARD COMPOSITION

BKB is committed to ensuring that the composition of the Board includes directors who collectively bring an appropriate mix of skills, commitment, experience, expertise and diversity to Board decision-making. The Board believes that the current directors possess an appropriate mix of skills to enable the Board to discharge its responsibilities effectively and deliver the Group's strategic priorities as a diversified business. Details of the directors, including their qualifications, are set out below.

The majority of BKB directors are non-executive. As at 30 June 2025 the Board comprised 12 directors, including nine non-executive and independent directors.

In terms of the Company's constitution the Board shall comprise of no fewer than six and no more than fifteen directors as follows:

- A maximum of eight directors elected by the holders of the ordinary shares
- A maximum of four executive directors appointed by the abovementioned elected directors
- A maximum of three non-executive directors, appointed by the non-executive directors, based on their expertise and experience

All non-executive directors are appointed for a specific period. There is no prescribed age for the retirement of non-executive directors. The Nomination Committee oversees Board succession planning and makes recommendations as to the appointment, election and re-election of directors.

The Chairman is an independent non-executive director who is appointed for a period equal to his term as a director. The Chairman is subject to the same director re-election rules as other non-executive directors. Geoff Kingwill is the present serving Chairman.

The Chairman's responsibilities are set out in the Board Charter. The Chairman sets the tone for the Board, manages its activities and provides effective and ethical leadership. The Lead Independent Director strengthens the independence of the Board and acts as a sounding board to the Chairman and Vice-Chairman.

Board induction and evaluation

New directors undergo a formal induction programme, which includes direction on expectations for their role and fiduciary responsibilities. We tailor this programme to their individual needs. The Chairman, Lead Independent Director and MD manage the induction programme.

The Board's performance is assessed internally on an annual basis. The Nominations Committee evaluates the performance of individual directors over their term of office.

DIRECTOR INDEPENDENCE

BKB's directors are expected to bring views and judgement to Board deliberations that are independent of management and free of any interest, position, business or other relationship that could materially interfere with the exercise of objective and independent judgement, having regard to the best interests of the Company as a whole.

Independence policies and guidelines for BKB's directors are outlined in the Board Charter and the separate policies on Independence of Directors and Conflicts of Interest. In terms of the CTSE Listings Requirements and the Companies Act, each director discloses any direct and indirect interest in the Company's share capital.

The Board has considered the position and relationships of all directors as at 30 June 2025 and considers that all nine non-executive directors are independent. The Board is satisfied that no individual director can exercise undue influence in its deliberations and decision-making.

Board member profiles

Chairman and Vice-Chairman



Geoff Kingwill
Age: 63
Qualification: B Mech Eng
Board member since: 2014
Industry experience:
BKB Vice-Chairman, Cape Wools SA Chairman, International Wool Textile Organization: Chairman of Working Group, Armaments Corporation of South Africa (Armcor) Project Engineer
Skillset:
Agriculture, management, governance
Committee membership:
Human Resources Committee (Chairman), Social, Ethics and Sustainability Committee (Chairman), Nominations and Remuneration Committees (Chairman)



Adrian Meyer
Age: 63
Qualification: B.Comm Honours, CA(SA)
Board member since: 2011
Industry experience:
Cidel Bank & Trust Co-Founder and Director, National Trust Co Inc. (Canada) VP and Controller, Trans Canada Credit Loan Subsidiary of Norwest (now Wells Fargo) (Canada) CFO, Private Equity Investor, Farmer
Skillset:
Banking, private companies, trusts, agriculture
Committee membership:
Audit and Risk Committee, Nominations Committee, Remuneration Committee, Investment Committee (Chairman)

Executive directors



Johan Stumpf
MD
Age: 57
Qualifications:
B Eng (Industrial), B Eng Honours (Industrial), MBA
Board member since: 2020
Industry experience:
Mpact Ltd Executive, Klein Karoo Group CEO, Sundays River Citrus Company CEO
Skillset:
Agriculture, manufacturing, management
Committee membership: Investment Committee, Human Resources Committee, Social, Ethics and Sustainability Committee



Jannie van Niekerk
Financial Director (FD)
Age: 46
Qualifications:
B Com Acc Honours, CA(SA)
Board member since: 2020
Industry experience:
Crown Food Group FD, Rhodes Food Group Financial Manager
Skillset:
Finance, administration, management, fast-moving consumer goods, manufacturing
Committee membership:
Investment Committee



André du Toit
Director: PaKHouse Brands
Age: 53
Qualifications:
B Agric Administration, B Agric Honours, MBA
Board member since: 2017
Industry experience:
PaKHouse Brands CEO, BKB General Manager: Trade, BKB General Manager: Livestock and Property, Kromco (Pty) Ltd Divisional CEO
Skillset:
Agriculture, manufacturing, international trade, management
Committee membership:
Investment Committee

Board member profiles [continued]

Non-executive directors



Jacques Louw
Age: 62
Qualifications: CA(SA); MBA; CISA; Farming diploma
Board member since: 2022
Industry experience:
Telecommunications, banking, insurance, media and entertainment, synfuels and agriculture
Skillset:
Finance, banking, agriculture
Committee membership:
Audit and Risk Committee



Koos Janse van Rensburg
Age: 64
Qualifications: B Compt Hon, MBL
Board member since: 2019
Industry experience:
VKB Group CEO, Kaap Agri Operations Director, Boland Agri Ltd CEO, Coopers & Lybrand Audit Partner
Skillset:
Finance, agriculture, Management
Committee membership:
Audit and Risk Committee, Investment Committee



Ivan Pillay
Age: 72
Qualifications: Management Diploma
Board member since: 2018
Industry experience:
Small Business Institute of South Africa Director, South African Revenue Services Deputy Commissioner, Public Affairs Research Institute Director, The Whistleblower House Director
Skillset:
Management, Public Administration, Investigations
Committee membership:
Human Resources Committee, Social, Ethics and Sustainability Committee



Charles Staple
Age: 73
Qualifications:
B Com, CTA, NHed, CA(SA), EDP(Wits)
Board member since: 2012
Industry experience:
PwC – retired partner, Trustee of Ezethu Development Trust, company director
Skillset:
Accounting and audit, governance, risk management, finance
Committee membership:
Audit and Risk Committee (Chairman), Remuneration Committee, Lead Independent Director

Company Secretary



Chris Hobson
Age: 53
Qualifications:
Nat Dip HR Management
Board member since: 2016
Industry experience:
D&A Timbers (Pty) Ltd Owner and CEO, Iliad Africa (Pty) Ltd Managing Executive KZN, Trustee Mohair Trust, Councillor Kingswood College Council
Skillset: Financial management, procurement, business development, people and stakeholder management, operations management, risk and compliance management, mergers and acquisition
Committee membership:
Human Resources Committee, Social, Ethics and Sustainability Committee, Investment Committee



Coenraad Fick
Age: 67
Qualifications:
BSc Agricultural Economics
Board member since: 2022
Industry experience:
Director in various companies: VKB Beleggings (Pty) Limited, Farmwise Marketing, Maluti Fruit (Pty) Limited and Grain Field Chickens (Pty) Limited
Skillset:
Agriculture
Committee membership:
Nominations and Remuneration Committees



Thandeka Pamela Zondi
Age: 43
Qualifications:
CA(SA)
Board member since: 2024
Industry experience:
Non-Executive Director in various companies: Old Mutual Insure, Old Mutual Superfund, Thebe Investment Holdings, Ince, Jasco and University of Johannesburg
Skillset: Financial Management, Digital Transformation and Strategy and Governance
Committee membership:
Seconded to Audit and Risk Committee



Johannette Oosthuizen
Age: 60
Qualifications:
B Com (Law); CIS Intermediate Diploma – The Southern African Institute of Chartered Secretaries and Administrators; Associate Diploma – The Institute of Bankers in South Africa
Industry experience:
Legal and Economic Analyst/ Delta Motor Corporation; Senior Trust Officer/Standard Trust; Pension Fund administrator/NMBM
Skillset:
Local government, Banking, Motor industry and Agriculture

Executive team profiles

BKB's executives delivered on performance expectations and continued building the Group's reputation through expertise and ethical behaviour.

The executive team



Johan Stumpf
MD: BKB Group
Age: 57
Qualifications: B Eng (Industrial), B Eng Honours Industrial), MBA
Industry experience: Mpact Ltd Executive, Klein Karoo Group CEO, Sundays River Citrus Company CEO
Skillset: Agriculture, manufacturing, management
Committee membership: Investment Committee, Human Resources Committee, Social, Ethics and Sustainability Committee



Jannie van Niekerk
FD: BKB Group
Age: 46
Qualifications: B Com Acc Honours, CA(SA)
Industry experience: Crown Food Group FD, Rhodes Food Group Financial Manager
Skillset: Finance, administration, management, fast-moving consumer goods, manufacturing
Committee membership: Investment Committee



André du Toit
Executive: PaKHouse Brands
Age: 53
Qualifications: B Agric Administration, B Agric Honours, MBA
Industry experience: PaKHouse Brands CEO, BKB General Manager: Trade, BKB General Manager: Livestock and Property, Kromco (Pty) Ltd Divisional CEO
Skillset: Agriculture, manufacturing, international trade, management
Committee membership: Investment Committee



Isak Staats
Executive: Natural Fibre
Age: 54
Qualifications: BBA MBA
Industry experience: General Manager: wool and mohair, Omnia Free State General Manager, Admin manager, Production manager
Skillset: Agriculture, production, sales and marketing, management

Executive team profiles [continued]



Casper Schmidt
Executive: Livestock and Properties
Age: 40
Qualifications: B Com Acc
Industry experience: General Manager – BKB Grain Storage, Group Financial Manager – Grainco
Skillset: Agriculture, finance, management

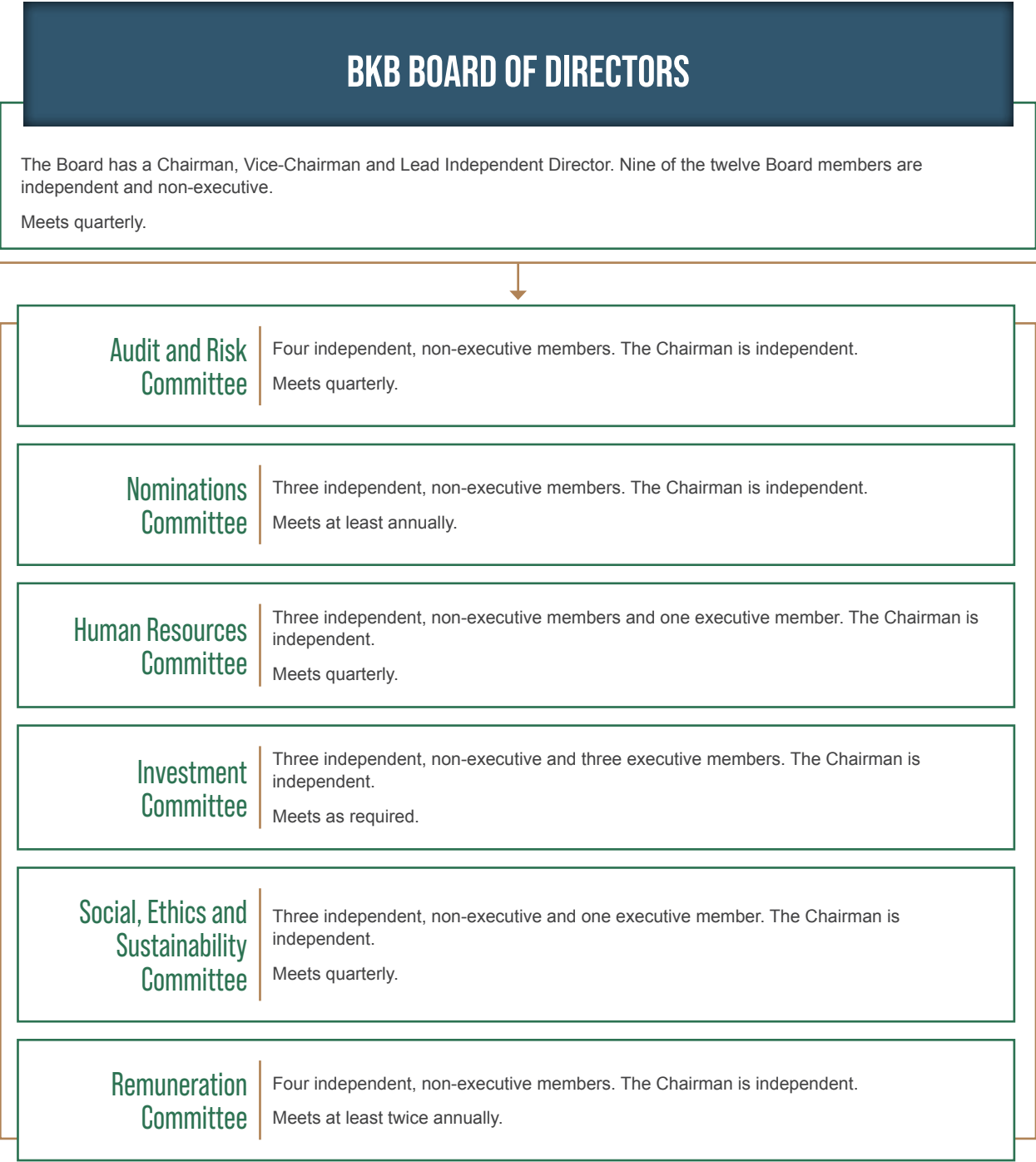


Jacques van Niekerk
Executive: Retail and Fuel
Age: 55
Qualifications: B. Comm (Industrial Psychology), MBA
Industry experience: EPKO Oil Seed Crushing (Pty) Ltd CEO, OPTI Feeds (Pty) Ltd General Manager, Henwil Chickens CEO, Earlybird Farm (Pty) Ltd Executive Manager
Skillset: Trading, fuel, agriculture, manufacturing, management



Pholisa Monki
Executive: BKB Group Human Resources
Age: 44
Qualifications: BA Human Resources Management, BA Sociology Honours
Industry experience: Regional HR Manager Mpact, Human Resource Business Partner ABSA Bank, Human Resource Consultant and Training Practitioner Volkswagen Group South Africa, Skills Development Facilitator Shatterprufe
Skillset: Human resources management, administration in manufacturing, banking

Board and committees



Board and committees (continued)

HUMAN RESOURCES COMMITTEE

Members: Three non-executive directors and one executive

Meets: Quarterly

Role and function: Ensures that the appropriate human resources policies and procedures are in place and aligned with BKB's values, that the required talent is recruited and retained, and proper development and reward structures are in place.

Responsible for:

- Ensuring that the Group's remuneration policies and practices are benchmarked to be competitive and to attract and retain key talent and skills required to deliver BKB's goals and desired results
- Overseeing and recommending the Group's annual remuneration adjustments for the wider body of employees (i.e. other than the executive team)
- Making recommendations to the Executive and Board on remuneration, reward and incentive strategies
- Monitoring and reporting health and safety matters
- Labour-related matters
- Ensuring that a proper employment equity plan is implemented
- Monitoring the succession planning process within divisions to ensure that talent is developed to cover key positions

Read more in the remuneration report on page 68.

INVESTMENT COMMITTEE

Members: Three executive and three non-executive directors

Meets: As often as required

Role and function:

- Considers new acquisitions or investments
- Considers divestments and disposals in the portfolio of businesses
- Informs and updates the Board on new and existing opportunities
- Ensures alignment between investment, acquisition and the business strategy
- Considers the alignment of funding options to investments and acquisitions
- Monitoring and review of post-implementation reports relating to new investments, divestments and disposals

SOCIAL, ETHICS AND SUSTAINABILITY COMMITTEE

Members: Three non-executive and one executive directors

Meets: Quarterly

Role and function:

- Provides guidance on social, ethics and sustainability issues to the Board
- Has oversight of, and reports on, ethics-related matters and activities connected with good corporate citizenship
- Ensures adequate codes, policies and procedures are in place to manage social, ethical and sustainability risks
- Reviews and monitors Group-wide compliance with relevant policy guidelines and local and international standards and laws
- Responsible for monitoring and reporting on sustainability and environmental matters
- Ensures management allocates adequate resources to comply with relevant policies, codes of best practice and regulations
- Engages with internal and external stakeholders on social, ethical and sustainability issues
- Responsible for BBBEE implementation

Read more in the sustainability impact chapter on page 46.

Board and committees (continued)

MEETING ATTENDANCE

DIRECTOR	COMMITTEES						
	BOARD	AUDIT AND RISK	NOMINATIONS	HUMAN RESOURCES	INVESTMENT	SOCIAL, ETHICS AND SUSTAINABILITY	REMUNERATION
Number of meetings	6	4	1	5	2	4	3
Non-executive:							
GEJ Kingwill (Chairman)	6/6	2/4 [#]	1/1	5/5		4/4	3/3
CD Hobson	6/6				2/2		
JF Janse van Rensburg	6/6	4/4			2/2		
EA Meyer (Vice-Chairman)	6/6	4/4	1/1		2/2		3/3
V Pillay	6/6			5/5		4/4	
HC Staple	6/6	4/4					2/3
J G Louw	6/6	4/4					
CF Fick	6/6		1/1	5/5		4/4	3/3
TP Zondi	4/6 ^{**}	1/4 [#]					
Executive:							
JE Stumpf (MD)	6/6	4/4 [*]	1/1 [#]	5/5	2/2	4/4	
AS du Toit	6/6	4/4 [*]			2/2		
JA van Niekerk (FD)	6/6	4/4 [*]	1/1 [#]		2/2		

* *Ex officio*
By invitation
** *Appointed 5/9/2024*

Diversity and inclusion

BKB considers its diverse and inclusive workforce a key enabler of delivering satisfactory returns to its shareholders and satisfying the needs of other stakeholders. The Group employs a range of participative structures for issues that significantly and directly affects employees. These have been designed to maintain sound relationships between the employer and employees through the effective communication of relevant information, consultation, and the identification and resolution of conflict. The Group employs a policy of equal opportunities for all and promotes staff on merit. We provide a confidential 24/7 whistle-blowing service that operates 365 days a year and is managed by an independent party. All whistle-blower matters are reported directly to the Chairman of the Audit and Risk Committee.

Regulatory compliance

The Board is ultimately responsible for ensuring compliance with all applicable legislation and regulations. Compliance is monitored by the General Manager: Legal Compliance and Sustainability. All potential instances of non-compliance are reported to the Audit and Risk Committee.

No material or significant instances of non-compliance with laws and regulations have been reported during the period under review and to the date of this report.

Summary statement

BKB remains committed to ensuring that its systems, procedures and practices reflect a high standard of corporate governance. The Board believes that its governance framework provides clear guidance on how authority is exercised and promotes a culture of compliance, ethical behaviour, integrity and respect to protect shareholder and other stakeholder interests.

The Board provided effective leadership and direction in the best interests of the Group, shareholders and stakeholders in FY25. The Board is satisfied that it has properly executed its mandate during the period covered by this annual report.

Remuneration report

BACKGROUND STATEMENT

Remuneration is overseen by the Remuneration Committee, which reports to the Board and ensures structured and transparent governance.

BKB's remuneration approach ensures that the Group is seen as the employer of choice in the industry. It seeks to create the appropriate environment that attracts and retains high-performing, talented employees and motivates them to perform optimally in alignment with the Group's goals.

Our remuneration structure, as underpinned by our remuneration policy and supplemented by benchmarking surveys, remains instrumental in ensuring internal and external reward parity. BKB remunerates employees in line with market dynamics and the context in which we operate. It aligns with the strategic direction of BKB. As such, remuneration is critical in attracting and retaining high-performing individuals.

Our remuneration structure is linked to Group performance, ensuring alignment between reward and value creation. We consider internal equity and fairness as part of salary benchmarking and structuring. Where relevant, remuneration matters are subject to stakeholder engagement and ongoing Board review.

No material changes were made to the remuneration policy or implementation and the average salary and wage increase was 5.5% and 6% respectively This was informed by the Department of Labour's specifications, inflation, agreements with union councils and individual performance evaluation.

THE KEY PRINCIPLES OF OUR REMUNERATION POLICY

Principle 1	We reward for outputs achieved rather than reward for tasks, duties and responsibilities.
Principle 2	Incentive/variable pay is visible and based on performance.
Principle 3	As pay is increasingly tied to competency, acquisition, teamwork and performance, the proportion of variable pay to guaranteed pay will increase, offering greater performance rewards. In line with the higher risk for the employee, the ability to earn more should also increase with higher productivity. This principle is important for creating a high-performance culture and retaining high performers.
Principle 4	The reward structure is an outcome of sound management practices, not a substitute for it.
Principle 5	The successful organisation assumes the required quality and volume levels are achieved. People should not be paid "extra" for achieving what they are paid to achieve. Output and quality levels are not voluntary.

ELEMENTS OF REMUNERATION

SALARY AND BENEFITS	SHORT-TERM INCENTIVE (STI) SCHEME	LONG-TERM INCENTIVE SHARE PARTICIPATION SCHEME
In addition to basic monthly salaries, the Group provides various benefits to its employees. These range from general benefits, such as medical aid and retirement fund schemes, with generous death and disability benefits, to overall employee care.	The STI scheme aims to share the organisation's success proportionately with key employees. The scheme establishes competitive earning opportunities, attracts and retains high-calibre employees, and reinforces organisational performance. It seeks to encourage exceptional performance. The STIs are based on the unique circumstances related to levels and divisions. Payment depends on achieving defined criteria at a divisional and collective business level. Targets are predominantly profit-driven, together with a reasonable ROFE. Personal and non-financial targets are also set.	A discretionary award applied to qualifying senior key employees, as recommended by the Human Resources Committee and the Remuneration Committee and approved by the Board. The share scheme is designed to recognise service and performance and entitles eligible executive managers to participate in the potential growth of BKB. The potential earning opportunities are competitive, and performance criteria include ROFE, debt management in relation to EBITDA and growth in earnings per share.

Further information regarding remuneration is set out in Note 17 and 40 of the Annual Financial Statements.

Remuneration report

Audit and Risk Committee report

The BKB Audit and Risk Committee (ARC or committee) is an independent statutory committee constituted in terms of the Companies Act No. 71 of 2008 (Companies Act). This report is prepared in accordance with the requirements of the Companies Act.

DUTIES AND RESPONSIBILITIES

The primary role of the ARC is to assist the Board in fulfilling its responsibilities in relation to financial reporting, risk management, internal controls, external auditors and compliance with certain legal and regulatory requirements. The committee's duties and responsibilities are set out in detail in its Charter. The Charter incorporates the committee's statutory responsibilities in terms of the Companies Act. The committee is accountable to the Board and to the shareholders of BKB Limited. The ARC Charter was reviewed and updated in September 2024. The committee acts as an audit committee for all companies in the BKB Group.

In terms of its Charter, the committee's responsibilities are to:

- Provide independent oversight of the effectiveness of the BKB's internal control environment and accounting systems
- Oversee the appointment of external auditors
- Oversee the coverage, performance and independence of its assurance functions (both IA and external audit)
- Assess the effectiveness of risk management processes
- Maintain oversight of compliance with certain legal, regulatory and internal policy requirements
- Ensure the integrity of both interim financial reporting and of the consolidated annual financial statements and annual report
- Monitor the Group's IT function, including cyber risk
- Monitor the management of the Group's tax affairs
- Monitor all whistle-blower activity, including follow-up action

MEMBERSHIP AND MEETINGS

The committee comprises four independent non-executive directors who shareholders appointed at the AGM in November 2024. The committee is chaired by Charles Staple. The membership of the committee, members' qualifications and skills, and attendance of meetings are outlined in the Governance section of the annual report.

The MD, FD, Executive Director: PakHouse Brands, General Manager of Finance and Head of IA are all invited to the ARC meetings. Board members, executives, and other persons considered appropriate are invited to attend meetings from time to time.

The BKB Group's external auditors, PwC, attend all the committee's meetings.

The ARC maintains direct, unfettered access to the external auditor, IA and executive management. The committee's Chair has regular meetings with the external auditors, the Head of IA, and the Group's MD and FD. Additional closed meetings with these parties are held by the committee when necessary. The internal and external auditors have unrestricted access to the committee.

The Board is satisfied that the members of the ARC are independent and possess the appropriate skills, expertise and experience to discharge the committee's responsibilities

KEY RESPONSIBILITIES OF THE COMMITTEE FOR THE 2025 FINANCIAL YEAR

Financial statements and reporting

The committee reviewed the critical accounting policies and practices, decisions requiring a significant exercise of judgement, material estimates, clarity of disclosures, and any significant adjustments arising from the audit applicable to the audited consolidated and company annual financial statements for the year ended 30 June 2025. The committee is satisfied that the accounting policies adopted and applied by the Group are appropriate. After considering the Group's forecasts, liquidity and capital position, the committee concluded that the going concern basis for preparing the annual financial statements is appropriate.

The committee is satisfied that the annual financial statements comply with the requirements of the IFRS Accounting Standards and the Companies Act and fairly present the financial position of the Company and the Group at the end of the financial year.

The committee considered the key audit matters identified by the external auditors in connection with the impairment of trade receivables. The committee is satisfied with the judgements and assumptions applied, and management's responses and the adequacy of impairment provisions raised.

The auditor's unqualified opinion is set out on pages 78 to 82 of the consolidated annual financial statements.

Recommendation of the annual financial statements for approval by the Board

The committee recommended to the Board that the annual financial statements be adopted and approved at the Board meeting on 4 September 2025.

The committee is satisfied that, in respect of the period under review, it has conducted its affairs and discharged its duties and responsibilities in accordance with its Charter, CTSE requirements and the Companies Act.

Audit and Risk Committee report

Audit and Risk Committee report [continued]

External Auditor

The BKB Group's external auditor is PwC and Ms Sunette Williams is the lead audit partner. The committee is satisfied that PwC is independent, as defined by the Companies Act and the standards stipulated by the auditing profession. Assurance was provided by PwC that internal governance processes within their firm support and demonstrate appropriate independence and audit quality. The committee considered, inter-alia, the external auditor's independence, objectivity and professional scepticism, quality of the audit team, and quality of communication with the external auditor. Based on this assessment, together with information provided by PwC on the firm's internal quality-control procedures, the committee considered audit quality to be sound.

The committee, in consultation with executive management, agreed to the terms of the statutory audit engagement as well as the detailed audit plan for FY25. The audit fee for the external audit has been considered and approved, taking into consideration such factors as the timing of the audit and the scope and extent of the work required.

The committee considered and approved all non-audit services provided by the external auditor during the year under review. The committee is satisfied that the nature of the services provided, and the amount paid for those services, did not impair the external auditor's independence and objectivity.

The external auditor confirmed that no reportable irregularities were identified and reported in terms of the Auditing Profession Act, No. 26 of 2005.

The committee recommended PwC for reappointment as external auditors, with Ms Sunette Williams as the designated audit partner for the 2026 financial year.

Internal audit

During FY25 important improvements were achieved in the Group's IA function. The appointment of a highly capable Head of IA contributed to this progress. In addition, the appointment of experienced auditors to the IA team has added focus and impetus to IA activity across the Group's operations. Executive management and the committee are satisfied with the strides made in past year in this important area and are confident that further progress will be made and benefits achieved, in the coming year.

The committee reviewed and approved the IA Charter and the scope and adequacy of the IA plan of work for FY25. The committee reviewed the results of audits and reviews performed by IA and ensured that adequate responses were provided by management to address findings and recommendations.

The committee is confident the revitalised IA function will assist in ensuring that a systematic approach is applied to risk management, aligned to the Group's strategic objectives. The committee is satisfied that the IA function is sufficiently independent. The Head of IA has access to the committee.

Internal control and risk management

The committee reviewed the Group's risk and control environment assessments, including IT risks. Overall, the committee concluded that the Group's internal financial controls are adequately designed and operated effectively during the year under review. This conclusion is based on information and explanations provided by IA, external auditors and management.

Notwithstanding this overall conclusion, there are some areas where internal controls require management's attention. These areas are not pervasive. The committee is satisfied with the steps management is taking to strengthen internal controls where this is required.

Cyber risk remained an area of focus in FY25. The committee monitored the Group's IT security plans and steps taken to address the risk of material operational and disruptive incidents. The committee is satisfied with actions taken to address and mitigate material cyber-related risks.

Management continues to make progress with the development of the Group-wide risk management functions. The committee reviews the key business risks in detail at least once a year. Risk management is a standing item on the committee's agenda, and the committee reports to the Board on risk-related matters after each meeting. In FY26 executive management will focus on further embedding sound risk management practices across the organisation.

The committee considered the adequacy of the processes in place to prevent, detect and monitor the occurrence of non-compliance with applicable laws and regulations. No material or significant occurrences were reported to the committee during the year under review.

The committee receives information on all whistle-blowing related matters, whether from within or outside the Group, and deals with them as appropriate. No significant cases were reported this year.

Evaluation of Financial Director and finance function

The committee is satisfied that the FD, Jannie van Niekerk, has appropriate expertise and experience. The committee is also satisfied with the expertise, experience and adequacy of resources within the Group's finance function.

Other matters

During the period under review the committee's activities also included the following:

- Reviewing the interim report and the half-year results as at 31 December 2024. The committee was satisfied with the accuracy and integrity of the half-year results and reporting and recommended approval and adoption by the Board
- Monitoring the Group's tax compliance programme to ensure that its obligations are met in the jurisdictions where the Group operates
- Reviewing the adequacy of the Group's insurance arrangements to ensure appropriate levels of cover for operational and business risks
- Overseeing the compilation of the annual report and reviewed its content. The committee recommended approval and adoption of the annual report by the Board.

On behalf of the Audit and Risk Committee

Charles Staple

Charles Staple
Chairman: Audit and Risk Committee

8 September 2025

Annual financial statements

Directors’ responsibilities and approval

The directors are responsible for the content, integrity and fair presentation of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the Company and Group as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with IFRS Accounting Standards. The external auditor is engaged to express an independent opinion on the financial statements.

The Financial Statements are prepared in accordance with IFRS Accounting Standards and are based on appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the Company and Group and place considerable importance on maintaining a strong control environment. The Board sets standards for internal control aimed at reducing the risk of error or loss in a cost-effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the Group. All employees are required to maintain the highest ethical standards in ensuring that the Group’s business is conducted in a manner that is above reproach.

Risk management in the Group focuses on identifying, assessing, managing and monitoring all known forms of risk across the Group. While operating risk cannot be fully eliminated, the Group endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion that, based on the information and explanations given by management, the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the Company and Group’s cash flow forecast for the year to 30 June 2026. In light of this review and the current financial position, they are satisfied that the Company and Group have access to adequate banking facilities and cash resources to continue their operations for the foreseeable future.

Based on the prevailing financial position of the Company and of the Group, budgets for the coming year and available banking facilities and credit lines, the directors have no reason to believe that the Company and Group will not be a going concern. The annual financial statements for both the Company and the Group have therefore been prepared on a going concern basis.

The external auditor is responsible for independently auditing and reporting on the Company and Group’s financial statements. The external auditor was given unrestricted access to all financial records and related data, including minutes of all meetings of the Board of Directors and committees of the Board. The directors believe that all representations made to the independent auditors during their audit were valid and appropriate.

The financial statements have been examined by the Company and Group’s external auditor, and their unqualified report is presented on pages 78 to 82.

The Company and Group annual financial statements on pages 84 to 164 were prepared under the supervision of Mr. J A van Niekerk (CA (SA)).

The annual financial statements for the year ended 30 June 2025, set out on pages 84 to 164, were approved by the Board on 4 September 2025. The Board mandated the Chairman of the Audit and Risk Committee to approve any adjustments to the financial statements after 4 September 2025.

APPROVAL OF FINANCIAL STATEMENTS

Geoff Kingwill

Geoff Kingwill
Chairman

8 September 2025

Johan Stumpf

Johan Stumpf
Managing Director

8 September 2025

Group Company Secretary’s declaration

In my opinion as Group Company Secretary, I hereby confirm, in terms of the Companies Act 71 of 2008, for the year ended 30 June 2025, that the Group has lodged with the Commissioner of Companies all returns as are required of a public company in terms of this Act and that all such returns are true, correct and up to date.

Johannette Oosthuizen

Ms J Oosthuizen
Group Company Secretary

8 September 2025

Directors’ report

NATURE OF BUSINESS

The Company is incorporated and domiciled in South Africa with interests in the agriculture industry. The activities of the Group are undertaken through the Company and its principal subsidiaries. The Group has operations in South Africa, Lesotho, Eswatini and the United States of America.

The Group’s business broadly entails the handling and marketing of agricultural products (wool, mohair, grain, consumer goods and livestock), the provision of farming requisites, sale of fuel, financing and other related activities.

There have been no material changes to the nature of the Group’s continuing business from the prior year.

REVIEW OF FINANCIAL RESULTS AND ACTIVITIES

The Group reported a profit of R131,88 million (2024: R87,27 million). Total assets increased to R3,05 billion (2024: R2,9 billion), while total liabilities increased to R1,46 billion (2024: R1,41 billion).

The consolidated and separate Financial Statements have been prepared in accordance with the IFRS Accounting Standards and the requirements of the Companies Act. The accounting policies have been applied consistently compared to the prior year.

Full details of the financial position, results of operations and cash flows of the Company and the Group are set out in these consolidated and separate annual financial statements. The results are further explained in the reports of the MD and FD on pages 6 to 8, and 28 to 33, respectively.

SHARE CAPITAL

	RAND		NUMBER OF SHARES	
	2025	2024	2025	2024
Authorised ordinary shares	—	—	200 000 000	200 000 000
Issued ordinary shares	4 395 656	4 420 354	87 913 125	88 407 075

There has been no change to the authorised share capital during the year under review.

The total number of issued ordinary shares reduced by 493 950 shares. The Group bought back 468 950 shares through a successful odd-lot offer to shareholders.

Authority to buy back shares

At the annual general meeting held on 19 November 2024, shareholders gave the Company or any of its subsidiaries a general approval in terms of section 48 of the Companies Act, by way of special resolution, for the acquisition of its own shares. 25 000 shares were bought back as part of a general buy-back of shares by the Group.

Control over unissued shares

The unissued ordinary shares are the subject of a general authority granted to the directors in terms of section 38 of the Companies Act. This general authority remains valid until the next AGM.

Dividends

The Company’s dividend policy is to consider a final dividend in respect of each financial year. At its discretion, the Board may consider a special dividend, where appropriate. Depending on the need to retain funds for expansion or operating purposes, the Board may pass on the payment of dividends.

At the Board meeting on 4 September 2025 the Board proposed a gross dividend of 50 cents for the year ended 30 June 2025 (2024: 33 cents).

Refer to Note 17 of the consolidated and separate annual financial statements for details of the Group Share Incentive Scheme.

Directors’ report [continued]

DIRECTORATE

The directors in office at the date of this report are as follows:

	OFFICE	DESIGNATION	NATIONALITY	CHANGES
J E Stumpf	Managing Director	Executive	South Africa	
A S du Toit	Director	Executive	South Africa	
J A van Niekerk	Financial Director	Executive	South Africa	
G E J Kingwill	Chairman of the Board	Non-executive	South Africa	
E A Meyer	Vice-Chairman	Non-executive	South Africa	
H C Staple	Chairman of the Audit Committee	Non-executive	South Africa	
C D Hobson		Non-executive	South Africa	
J F J van Rensburg		Non-executive	South Africa	
V Pillay		Non-executive	South Africa	
C F Fick		Non-executive	South Africa	
J G Louw		Non-executive	South Africa	
T P Zondi		Non-executive	South Africa	Appointed 5/9/2024

Directors’ interests in shares

As at 30 June 2025, the directors of the Company held direct and indirect beneficial interests in 1.05% (2024: 0.57%) of its issued ordinary shares, as set out below:

	NUMBER OF SHARES	
	2025	2024
Executive directors	393 089	20 750
Non-executive directors	527 125	482 420
Total	920 214	503 170

Details of directors’ shares in the Company are presented in the Financial Statements in Note 39.

There have been no changes in beneficial interests that occurred between the end of the reporting period and the date of this report.

Directors’ interests in contracts

No contracts were entered into during the financial year in which directors or officers of the Group had an interest and which significantly affected the business of the Group or Company.

Interests in subsidiaries, associates and joint arrangements

Details of material interests in subsidiary companies are presented in the Company financial statements in Note 7. Apart from Atlanta Investments (Pty) Ltd, Atlanta Products (Pty) Ltd, Oceanic Swaziland (Pty) Ltd, Lihoai Consultancy (Pty) Ltd, BKB Lesotho (Pty) Ltd, Wool Partners Inc. and Roswell Wool Brokers LLC, subsidiaries are incorporated in South Africa.

We acquired American Wool Partners Inc., our USA-based wool trading company, during the year ended 30 June 2025.

EVENTS AFTER THE REPORTING PERIOD

The directors are not aware of any material events occurring after the reporting date and up to the date of this report that would have a material impact on these annual financial statements.

Independent auditor’s report

TO THE SHAREHOLDERS OF BKB LIMITED

Report on the audit of the consolidated and separate financial statements

Our opinion

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of BKB Limited (the Company) and its subsidiaries (together the Group) as at 30 June 2025, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with IFRS Accounting Standards and the requirements of the Companies Act of South Africa.

WHAT WE HAVE AUDITED

BKB Limited’s consolidated and separate financial statements set out on pages 84 to 164 comprise:

- the consolidated and separate statements of financial position as at 30 June 2025;
- the consolidated and separate statements of profit or loss and other comprehensive income for the year then ended;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes to the financial statements, including material accounting policy information.

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

INDEPENDENCE

We are independent of the Group in accordance with the Independent Regulatory Board for Auditors’ *Code of Professional Conduct for Registered Auditors* (IRBA Code) and other independence requirements applicable to performing audits of financial statements 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 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)*.

Our audit approach

OVERVIEW

The diagram illustrates the audit approach flow. It starts with 'Materiality' (orange circle), which leads to 'Group scoping' (red circle), which then leads to 'Key audit matters' (dark red circle).

Final materiality

- Overall group materiality: R27,000,000, which represents 0.4% of consolidated revenue from continuing operations.
- Overall company materiality: R12,700,000 which represents 0.4% of revenue from continuing operations.

Group audit scope

- Five significant components were subject to full scope audits;
- For one significant component, specified audit procedures were performed;
- For five non-significant components, audit procedures over certain account balances were performed; and
- The remaining components were assessed as inconsequential, and targeted risk assessment procedures were performed, as appropriate, for group scoping purposes.

Key audit matters

- Impairment assessment of trade receivables, including producer advances

Independent auditor’s report [continued]

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated and separate financial statements. In particular, we considered where the Directors made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

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 and group audit scope below.

FINAL MATERIALITY

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the consolidated and separate financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated and separate financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the final materiality for the consolidated and separate financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the consolidated and separate financial statements as a whole.

	CONSOLIDATED FINANCIAL STATEMENTS	SEPARATE FINANCIAL STATEMENTS
FINAL MATERIALITY	R27,000,000	R12,700,000
HOW WE DETERMINED IT	0.4% of consolidated revenue from continuing operations	0.4% of revenue
RATIONALE FOR THE MATERIALITY BENCHMARK APPLIED	We chose consolidated revenue as the benchmark because, in our view, it is the benchmark against which the performance of the Group is mostly commonly measured by users. Consolidated revenue is a key driver of the business and contributes to the overall performance. Consolidated revenue has also remained fairly stable in recent years. We chose 0.4% based on our professional judgement, after consideration of the range of quantitative materiality thresholds that we would typically apply when using revenue as a benchmark in calculating materiality.	We chose revenue as the benchmark because, in our view, it is the benchmark against which the performance of the Company is mostly commonly measured by users. Revenue is a key driver of the business and contributes to the overall performance. Revenue has also remained fairly stable in recent years. We chose 0.4% based on our professional judgement, after consideration of the range of quantitative materiality thresholds that we would typically apply when using revenue as a benchmark in calculating materiality.

GROUP AUDIT SCOPE

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

The Group’s consolidated financial statements comprise of 32 components, including subsidiaries, joint ventures, associates, and dormant entities. In line with ISA 600 (Revised), a risk-based approach was applied to determine the scope of the group audit. Five components were identified as significant and were subject to full scope audits. One additional significant component was subject to specified audit procedures. The audit of one or more account balances was performed for five non-significant components. The remaining components were assessed as inconsequential to the group financial statements, and targeted risk assessment procedures were performed, as appropriate, for group scoping purposes.

Independent auditor’s report [continued]

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.

In terms of ISA 701 *Communicating key audit matters in the independent auditor’s report* / the EAR Rule (as applicable), 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.

KEY AUDIT MATTER	HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER
<p>Impairment assessment of trade receivables, including producer advances</p> <p>This key audit matter relates to the consolidated and separate financial statements.</p> <p>As at 30 June 2025, the group’s gross trade receivables, including producer advances, amounted to R976.3 million (2024: R1 018.5 m) and a loss allowance for expected credit losses of R70.2 million (2024: R71.5 m) was recognised.</p> <p>As at 30 June 2025, the company’s gross trade receivables, including producer advances, amounted to R632.4 million (2024: R605.7 m) and a loss allowance for expected credit losses of R62.4 million (2024: R61.9 m) was recognised.</p> <p>This area required significant auditor attention and was considered to be a matter of most significance to the current year audit due to:</p> <ul style="list-style-type: none">the significant judgements made by management in assessing the recoverability of trade receivables; andthe magnitude of the trade receivables balance. <p>Significant judgements made by management includes the following assumptions:</p> <ul style="list-style-type: none">Probability of default;Forward looking information; andLoss given default <p>Management performs separate assessments for the specific and general provisions recognised.</p> <p>The general provision is based on two different methods:</p> <ul style="list-style-type: none">Provision matrix (Trade receivables); and3 Stage expected credit loss (“ECL”) model (Producer advances) <p>Management firstly assesses the trade receivables and producer advances on an individual basis (specific) at the end of the financial year to determine if the group and company has no reasonable expectation of recovering the amount due by the debtor in full (or part thereof). Management determines the recoverability of trade receivables by assessing the total outstanding balance against the securities held for that debtor. Where management assesses that the debtor’s account is not recoverable, a provision is raised in this regard.</p> <p>The remaining balance of trade receivables and producer advances are measured using a provision matrix or the 3 stage expected credit loss model.</p> <p>The 3 stage expected credit loss model, adjusted for forward-looking factors is determined using the following formula:</p> <p>Impairment = Total book x Probability of Default% (PD%) x Loss Given Default % (LGD%) x Forward Looking Adjustment</p> <p>The provision matrix calculates the ECL using historic credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current and forecast direction of conditions at the reporting date.</p> <p>Refer to the following accounting policies and notes to the consolidated financial statements for disclosure:</p> <ul style="list-style-type: none">Note 10 (Trade and other receivables);Note 41.3.i (Credit risk); andNote 46.9.2 (Trade and other receivables accounting policy)	<p>Our audit procedures included the following:</p> <p>Through discussions with management, we obtained an understanding of the process followed to determine the expected credit loss of trade receivables and producer advances.</p> <p>With respect to the expected credit loss models used by the group and company, the appropriateness of the modelling policies and methodologies used was independently assessed against the requirements of IFRS 9. No inconsistencies were noted.</p> <p>We assessed the appropriateness of the ageing categorisation by testing a sample of customers to underlying support to assess whether their outstanding debt was categorised correctly. No material exceptions were noted.</p> <p>We evaluated and challenged management’s assessment for the specific provision by performing the following:</p> <ul style="list-style-type: none">We filtered the debtors’ listings for material debtors balances outstanding beyond their payment terms.In respect of the debtors identified above and not specifically provided for, we investigated and corroborated by way of inspecting underlying documentation, such as payments received after year end, and discussions with management with regard to the reasons why these debtors have not been provided for.We tested the individual debtors’ provisions on a sample basis by obtaining explanations from management and inspecting underlying documentation for the respective provision raised against the debtors’ balances.Based on the procedures performed, we did not note material exceptions. <p>We evaluated and challenged management’s assessment on the appropriateness of the models used in the ECL on a collective basis by performing the following:</p> <ul style="list-style-type: none">We tested the mathematical accuracy of the ECL calculation and found no material exceptions.We analysed the collection of receivables in the respective ageing categorisations and independently calculated the historical loss rates, which were compared to management’s loss rates. Based on our work performed, we accepted management’s loss rates and the application of the loss rates in the various ageing categorisations.We assessed the appropriateness of the default rates assigned to the advances and production loans by assessing the interest rates charged and assessing this against the ‘Annual Global Corporate Default Study and Rating Transitions’ Report as issued by one of the Global Ratings Agencies. No material exceptions were noted.We evaluated forward looking information by analysing management’s assessment and making independent adjustments, taking into account the current industry and economic climate. No material exceptions were noted. <p>We evaluated the presentation and disclosures relating to the impairment of trade receivables against the disclosure requirements of IFRS 9 and IFRS 7. We did not note material disclosure deficiencies.</p>

Independent auditor’s report [continued]

Other information

The Directors are responsible for the other information. The other information comprises the information included in the document titled “BKB 2025 Annual Report”, which includes the Directors’ Report, the Audit and Risk Committee Report and the Group Company Secretary’s Declaration 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 identified above 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 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’s and the 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/or the Company or to cease operations, or have no realistic alternative but to do so.

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’s and the 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’s and the 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 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 financial statements. We are responsible for the direction, supervision and review of the audit work performed for 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.

Independent auditor’s report [continued]

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

AUDIT TENURE

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that PricewaterhouseCoopers Inc. has been the auditor of BKB Limited for 34 years.

PricewaterhouseCoopers Inc.

PricewaterhouseCoopers Inc.
Director: S Williams
Registered Auditor
Gqeberha, South Africa
8 September 2025

Contents

Statements of Financial Position	84
Statements of Profit or Loss and Other Comprehensive Income	85
Statements of Changes in Equity	86
Statements of Cash Flows	88
Notes to the Financial Statements	89
Accounting Policies	147



BKB LIMITED AND ITS SUBSIDIARIES

(Registration number 1998/012435/06)
Annual Financial Statements for the year ended 30 June 2025

CONSOLIDATED AND SEPARATE STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2025

		Group		Company	
Notes		2025 R'000	2024 R'000	2025 R'000	2024 R'000
ASSETS					
Non-current assets					
Property, plant and equipment	2	842 672	798 541	521 654	502 736
Right-of-use assets	3	64 163	68 966	31 242	30 265
Investment property	4	39 433	61 239	14 633	15 739
Intangible assets	5	126 951	131 021	83 210	85 497
Investments in subsidiaries	7	-	-	277 806	278 176
Equity accounted investments	8	8 680	9 082	1 203	1 203
Loans to group companies	9	-	-	99 008	121 790
Trade and other receivables	10	36 803	21 827	36 803	21 827
Deferred tax assets	11	20 696	58 131	-	-
		1 139 398	1 148 807	1 065 559	1 057 233
Current assets					
Inventories	12	789 897	612 918	402 147	384 517
Loans to group companies	9	-	-	303 742	260 645
Trade and other receivables	10	1 007 680	1 050 425	621 172	599 974
Other financial assets	13	4 173	5 325	-	-
Current income tax assets		5 948	844	2 792	-
Cash and cash equivalents	14	73 969	56 714	60 466	35 126
		1 881 667	1 726 226	1 390 319	1 280 262
Assets classified as held for sale	15	25 000	9 076	-	-
Total current assets		1 906 667	1 735 302	1 390 319	1 280 262
Total assets		3 046 065	2 884 109	2 455 878	2 337 495
EQUITY					
Capital and reserves					
Share capital	16	4 396	4 420	4 396	4 420
Share premium		213 167	218 212	192 538	197 583
Treasury shares	16	(113 849)	(125 702)	(88 330)	(99 562)
Non-distributable reserves		199 391	190 057	192 301	194 738
Distributable reserves		1 281 760	1 185 399	1 106 454	1 066 375
Capital and reserves attributable to owners of the parent		1 584 865	1 472 386	1 407 359	1 363 554
Non-controlling interest		6 143	5 363	-	-
Total equity		1 591 008	1 477 749	1 407 359	1 363 554
LIABILITIES					
Non-current liabilities					
Borrowings	18	113 298	138 498	110 418	129 497
Lease liabilities	3	64 932	66 117	29 322	26 444
Post-retirement medical aid liabilities		2 142	2 157	2 142	2 157
Deferred tax liabilities	11	32 733	49 652	26 926	25 251
Provisions	19	9 471	9 291	8 949	9 255
		222 576	265 715	177 757	192 604
Current liabilities					
Trade and other payables	20	775 523	711 264	334 662	323 825
Loans from group companies	21	-	-	91 298	54 526
Borrowings	18	440 325	389 142	435 955	382 502
Other financial liabilities	13	783	8 878	-	-
Lease liabilities	3	13 851	17 389	8 847	11 229
Current income tax liabilities		1 705	7 235	-	5 217
Bank overdrafts	14	294	6 737	-	4 038
Total current liabilities		1 232 481	1 140 645	870 762	781 337
Total liabilities		1 455 057	1 406 360	1 048 519	973 941
Total equity and liabilities		3 046 065	2 884 109	2 455 878	2 337 495

BKB LIMITED AND ITS SUBSIDIARIES

(Registration number 1998/012435/06)
Annual Financial Statements for the year ended 30 June 2025

CONSOLIDATED AND SEPARATE STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		2025	2024	2025	2024
	Notes	R'000	R'000	R'000	R'000
Continuing operations					
Revenue		6 711 186	6 491 991	3 129 066	3 202 816
Interest revenue		62 337	69 811	61 219	67 650
Total revenue	24	6 773 523	6 561 802	3 190 285	3 270 466
Cost of sales	25	(5 533 682)	(5 295 026)	(2 407 823)	(2 492 011)
Gross profit		1 239 841	1 266 776	782 462	778 455
Other operating income	26	41 734	49 083	29 977	40 735
Operational expenses	27	(816 437)	(788 084)	(550 763)	(548 245)
Administrative expenses	27	(183 539)	(170 899)	(160 540)	(149 559)
Impairment of financial assets	27	(14 536)	(29 634)	(11 899)	(24 535)
Loss from equity accounted investments	8	(301)	(275)	-	-
Operating profit		266 762	326 967	89 237	96 851
Dividends from subsidiaries		-	-	25 521	7 936
Finance income	28	5 476	7 980	42 298	64 250
Finance costs	29	(86 463)	(89 662)	(76 930)	(97 100)
Profit before taxation		185 775	245 285	80 126	71 937
Income tax expense	30	(53 897)	(75 044)	(16 655)	(19 605)
Profit for the year from continuing operations		131 878	170 241	63 471	52 332
Discontinued operations					
Loss from discontinued operations	31	-	(82 967)	-	-
Profit for the year		131 878	87 274	63 471	52 332
Continuing operations					
Other comprehensive income:					
Items that will not be reclassified to profit or loss:					
Movement in reserve on revaluation of properties		750	20 892	-	15 384
Gains on property revaluations		937	28 655	-	21 074
Income tax relating to items that will not be reclassified		(187)	(7 763)	-	(5 690)
Items that will be reclassified to profit or loss:					
Movement in foreign currency translation reserve		(3 768)	-	-	-
Movement in cash flow hedge reserve		3 444	1 488	-	-
Fair value adjustments to cash flow hedge reserve		7 672	11 286	-	-
Reclassification to revenue		(3 171)	(9 030)	-	-
Income tax relating to items that may be reclassified		(1 057)	(768)	-	-
Other comprehensive income for the year net of taxation from continuing operations		426	22 380	-	15 384
Discontinued operations					
Other comprehensive income for the year net of taxation from discontinued operations	31	-	27 804	-	-
Total comprehensive income for the year		132 304	137 458	63 471	67 716
Profit/(loss) attributable to:					
Owners of the parent					
From continuing operations		131 098	169 398		
From discontinued operations		-	(82 967)		
Non-controlling interest					
From continuing operations		780	843		
		131 878	87 274		
Total comprehensive income attributable to:					
Owners of the parent		131 524	136 615		
Non-controlling interest		780	843		
		132 304	137 458		
Basic earnings per share (cents)					
From continuing operations	32	167.5	110.6		
Diluted earnings per share (cents)	32	167.5	216.7		
From continuing operations	32	162.3	107.4		
	32	162.3	210.5		

BKB LIMITED AND ITS SUBSIDIARIES
(Registration number 1998/012435/06)
Annual Financial Statements for the year ended 30 June 2025

CONSOLIDATED AND SEPARATE STATEMENTS OF CHANGES IN EQUITY

Notes	Group		Company	
	2025 R'000	2024 R'000	2025 R'000	2024 R'000
Share capital				
Balance at the beginning of the year	4 420	4 420	4 420	4 420
Shares re-purchased	(24)	-	(24)	-
Balance at the end of the year	4 396	4 420	4 396	4 420
Share premium				
Balance at the beginning of the year	218 212	218 630	197 583	197 583
Premium on shares re-purchased	(3 326)	-	(3 326)	-
Loss on sale of shares	(8 046)	(418)	(8 046)	-
Issue of treasury shares to employees	6 327	-	6 327	-
Balance at the end of the year	213 167	218 212	192 538	197 583
Treasury shares				
Balance at the beginning of the year	(125 702)	(126 278)	(99 562)	(99 716)
Shares purchased by the trust	(2 063)	(129)	(2 063)	(129)
Shares sold by the trust	13 916	705	13 916	287
Other movement during the year	-	-	(621)	(4)
Balance at the end of the year	(113 849)	(125 702)	(88 330)	(99 562)
Non-distributable reserves				
<i>Reserve on revaluation of properties</i>				
Balance at the beginning of the year	167 795	157 739	170 143	155 757
Revaluations	937	28 655	-	21 074
Deferred tax on revaluations	(187)	(7 874)	-	(5 690)
Non-controlling interest on revaluations after tax	-	(1 983)	-	-
Realisation of revaluation reserve on sale of building	(325)	(2 573)	(291)	(1 367)
Deferred tax realised on sale of building	79	695	79	369
Transfer to distributable reserves	11 379	(6 864)	-	-
Balance at the end of the year	179 678	167 795	169 931	170 143
<i>Cash flow hedge reserve</i>				
Balance at the beginning of the year	(2 333)	(31 625)	-	-
Fair value adjustments to cash flow hedge reserve	7 672	33 157	-	-
Reclassification to revenue	(3 171)	8 214	-	-
Reclassification to profit or loss	-	(1 028)	-	-
Income tax relating to items that may be reclassified	(1 057)	(11 051)	-	-
Balance at the end of the year	1 111	(2 333)	-	-
<i>Foreign currency translation reserve</i>				
Balance at the beginning of the year	-	-	-	-
Other comprehensive income	(3 768)	-	-	-
Balance at the end of the year	(3 768)	-	-	-
<i>Share based payment reserve</i>				
Balance at the beginning of the year	22 156	12 040	22 156	12 040
Equity settled share based payments scheme	12 410	10 116	12 410	10 116
Issue of treasury shares to employees	(12 196)	-	(12 196)	-
Balance at the end of the year	22 370	22 156	22 370	22 156
<i>Black economic empowerment reserve</i>				
Balance at the beginning of the year	2 439	2 439	2 439	2 439
Transfer to distributable reserves	(2 439)	-	(2 439)	-
Balance at the end of the year	-	2 439	-	2 439
	199 391	190 057	192 301	194 738

BKB LIMITED AND ITS SUBSIDIARIES
(Registration number 1998/012435/06)
Annual Financial Statements for the year ended 30 June 2025

CONSOLIDATED AND SEPARATE STATEMENTS OF CHANGES IN EQUITY (continued)

Notes	Group		Company	
	2025 R'000	2024 R'000	2025 R'000	2024 R'000
Distributable reserves				
<i>Retained earnings</i>				
Balance at the beginning of the year	1 185 399	1 090 226	1 066 375	1 013 045
Profit for the year	131 098	86 431	63 471	52 332
Dividends	(26 043)	-	(26 043)	-
Transfer from non-distributable reserve	(8 694)	8 742	2 651	998
Balance at the end of the year	1 281 760	1 185 399	1 106 454	1 066 375
Non-controlling interest				
Balance at the beginning of the year	5 363	2 372	-	-
Profit for the year	780	843	-	-
Other comprehensive income	-	1 983	-	-
Sale of subsidiary	-	165	-	-
Balance at the end of the year	6 143	5 363	-	-
	1 591 008	1 477 749	1 407 359	1 363 554

BKB LIMITED AND ITS SUBSIDIARIES
(Registration number 1998/012435/06)
Annual Financial Statements for the year ended 30 June 2025

CONSOLIDATED AND SEPARATE STATEMENTS OF CASH FLOWS

Notes	Group		Company	
	2025 R'000	2024 R'000	2025 R'000	2024 R'000
Cash flow from operating activities				
Cash receipts from customers	13 805 478	13 297 505	9 458 058	9 304 132
Cash paid to suppliers and employees	(13 560 221)	(12 659 602)	(9 363 201)	(9 107 650)
Cash generated from operating activities	245 257	637 903	94 857	196 482
Interest received	5 476	8 208	42 298	64 250
Interest paid	(86 463)	(126 163)	(76 930)	(97 100)
Taxation paid	(43 768)	(45 718)	(22 989)	(18 245)
	120 502	474 230	37 236	145 387
Cash flow from investing activities				
Purchase of property, plant and equipment	(95 216)	(64 650)	(33 793)	(36 007)
Sale of property, plant and equipment	4 971	17 708	4 288	6 883
Purchase of investment property	(424)	(1 850)	(424)	(1 850)
Sale of investment property	2 600	-	2 600	-
Proceeds from assets held for sale	22 500	16 066	-	-
Purchase of other intangible assets	(4 309)	(3 921)	(4 229)	(1 689)
Business combinations	(18)	-	-	-
Sale of other intangible assets	-	160	-	158
Decrease in investment in subsidiaries	-	-	-	551
Increase in investment in associate	101	-	-	-
Advances of employee loans	(7 987)	(12 671)	(7 987)	(12 671)
Repayment of employee loans and other non-current receivables	2 606	20 720	2 606	9 777
Loans advanced to group companies	-	-	(232 135)	(370 797)
Loans repaid by group companies	-	-	209 148	648 138
Dividends received from group companies	-	-	25 521	7 936
	(75 176)	(28 438)	(34 405)	250 429
Cash flow from financing activities				
Shares re-purchased	(3 350)	-	(3 350)	-
Dividends paid	(26 043)	-	(26 043)	-
Proceeds from borrowings	2 130 000	1 580 000	2 130 000	1 580 000
Repayment of borrowings	(2 104 017)	(1 989 943)	(2 095 626)	(1 964 492)
Loans repaid to group companies	-	-	(475 287)	(416 866)
Loans advanced by group companies	-	-	509 010	443 484
Principal elements of lease payments	(18 218)	(16 419)	(12 157)	(10 639)
	(21 628)	(426 362)	26 547	(368 513)
Total cash movement for the year				
	23 698	19 430	29 378	27 303
Net cash and cash equivalents at the beginning of the year	49 977	30 547	31 088	3 785
Net cash and cash equivalents at the end of the year	73 675	49 977	60 466	31 088

BKB LIMITED AND ITS SUBSIDIARIES
(Registration number 1998/012435/06)
Annual Financial Statements for the year ended 30 June 2025

NOTES TO THE FINANCIAL STATEMENTS

1 Segmental information

The Group has identified reportable segments which represent the structure used by the board of directors and executive management to make key strategic and operating decisions and assess performance.

The Group has six reportable segments within which the Group's strategic business units (SBUs) fall.

These reportable segments as well as the products and services from which each of them derive revenue are set out below:

Reportable segment	Products and services
Natural fibre	Comprises marketing by auction, trading, warehousing and logistics of wool and mohair for both the producer and buyer. Acts as a trader in the local and foreign wool market.
Retail and fuel	Comprises retail trading branches throughout the country specializing in agricultural requisites and the supply of fuel.
Livestock and properties	Comprises the marketing and auctioneering of livestock, general farming implements and agricultural, commercial and residential properties.
Leasing of properties	The leasing of warehouse, office and retail space.
Grains	Comprises grain storage and handling, and maize milling. Lucerne trading and lucerne press operations were discontinued during 2024.
Consumer goods	Comprises the packaging, distribution and marketing of sugar and agro-based consumer goods in local and foreign markets. The raisins business was discontinued during 2024.

The SBUs offer different services and are managed separately as they require different skills, technology and marketing strategies.

Segmental revenue and results

The executive directors assess the performance of the operating segments based on a measure of value of business conducted, revenue, operating profit and profit before tax. The value of business conducted represents the value of sales transactions for the Group as well as those conducted in its capacity as an agent/broker. Income tax is managed on a legal entity level and is not allocated to the operating segments.

	Value of business - external R'000	Segment revenue - total R'000	Segment revenue - internal R'000	Segment revenue - external R'000	Interest revenue R'000	Human resource/ staff costs R'000
Operating segments 2025						
Continuing operations						
Natural fibre	3 760 762	1 964 893	101 975	1 862 918	12 579	(124 483)
Retail and fuel	2 433 767	2 493 044	83 869	2 409 175	24 592	(120 906)
Livestock and properties	5 322 141	240 884	3 144	237 740	22 190	(143 787)
Leasing of properties	2 832	51 024	48 192	2 832	-	(456)
Grains	895 325	896 944	1 915	895 029	296	(29 750)
Consumer goods	1 300 904	2 355 269	1 054 365	1 300 904	-	(25 177)
All other segments*	5 268	2 588	-	2 588	2 680	(89 721)
Total	13 720 999	8 004 646	1 293 460	6 711 186	62 337	(534 280)

	EBITDA** R'000	Depreciation and amortisation*** R'000	Impairments and revaluations R'000	Operating profit/(loss) R'000	Net finance (expense)/ income R'000	Profit/(loss) before tax R'000
Operating segments 2025						
Continuing operations						
Natural fibre	113 092	(13 992)	-	99 100	(59 419)	39 680
Retail and fuel	105 891	(15 219)	-	90 672	(44 502)	46 170
Livestock and properties	42 990	(10 235)	(750)	32 005	(7 423)	24 582
Leasing of properties	35 749	(1 487)	-	34 262	(1 407)	32 856
Grains	75 126	(15 507)	3 946	63 565	4 253	67 818
Consumer goods	78 388	(3 672)	(3 103)	71 613	(9 220)	62 392
All other segments*	(121 151)	(2 280)	(1 024)	(124 455)	36 731	(87 723)
Total	330 085	(62 392)	(931)	266 762	(80 987)	185 775

Reconciling items	
Taxation	(53 897)
Discontinued operations	-
Profit after discontinued operations and tax	131 878

BKB LIMITED AND ITS SUBSIDIARIES
(Registration number 1998/012435/06)
Annual Financial Statements for the year ended 30 June 2025

NOTES TO THE FINANCIAL STATEMENTS

1 Segmental information (continued)

Operating segments	Value of business - external R'000	Segment revenue - total R'000	Segment revenue - internal R'000	Segment revenue - external R'000	Interest revenue R'000	Human resource/ staff costs R'000
2024						
Natural fibre	3 734 696	1 869 908	100 001	1 769 907	12 674	(117 922)
Retail and fuel	2 474 775	2 541 084	90 353	2 450 731	24 044	(118 929)
Livestock and properties	4 665 529	220 541	3 149	217 392	29 614	(132 558)
Leasing of properties	2 862	47 741	44 879	2 862	-	(451)
Grains	830 827	837 322	7 638	829 684	1 143	(30 078)
Consumer goods	1 219 138	2 174 902	955 764	1 219 138	-	(26 126)
All other segments*	4 656	2 277	-	2 277	2 336	(82 423)
Total	12 932 483	7 693 775	1 201 784	6 491 991	69 811	(508 487)
Operating segments	EBITDA** R'000	Depreciation and amortisation*** R'000	Impairments and revaluations R'000	Operating profit/(loss) R'000	Net finance (expense)/ income R'000	Profit/(loss) before tax R'000
2024						
Natural fibre	142 936	(13 674)	-	129 262	(65 636)	63 626
Retail and fuel	112 875	(14 512)	-	98 363	(45 879)	52 485
Livestock and properties	27 433	(10 750)	-	16 684	(8 663)	8 021
Leasing of properties	34 257	(1 429)	(1 764)	31 064	(1 271)	29 794
Grains	101 924	(18 730)	(642)	82 551	(3 763)	78 788
Consumer goods	83 131	(3 790)	(103)	79 238	2 278	81 516
All other segments*	(107 798)	(2 274)	(120)	(110 195)	41 252	(68 945)
Total	394 758	(65 159)	(2 629)	326 967	(81 682)	245 285
Reconciling items						
Taxation						(75 044)
Discontinued operations						(82 967)
Profit after discontinued operations and tax						87 274

* Head office costs including HR, Finance, IT and Corporate
** Earnings before interest, taxation, depreciation, impairments, amortisation and revaluations
*** Includes cost of sales depreciation

BKB LIMITED AND ITS SUBSIDIARIES
(Registration number 1998/012435/06)
Annual Financial Statements for the year ended 30 June 2025

NOTES TO THE FINANCIAL STATEMENTS

1 Segmental information (continued)

Segment assets and liabilities						
The amounts provided to the board of directors with respect to total assets are measured in a manner consistent with that of the financial statements. These assets are allocated based on the operations of the segment and the physical location of the asset.						
The amounts provided to the board of directors with respect to total liabilities are measured in a manner consistent with that of the financial statements. These liabilities are allocated based on the operations of the segment.						
The table below provides information on segment assets and liabilities as well as a reconciliation to total assets and liabilities as per the Statements of Financial Position.						
	Additions to non-current assets * R'000	2025 Total assets R'000	Total liabilities R'000	Additions to non-current assets * R'000	2024 Total assets R'000	Total liabilities R'000
Natural fibre	6 778	996 984	440 666	5 094	938 826	385 392
Retail and fuel	11 566	715 148	481 812	17 721	681 395	460 704
Livestock and properties	10 941	404 140	179 278	8 183	376 288	166 756
Leasing of properties	9 136	666 338	74 905	8 183	661 421	80 954
Grains	55 903	449 339	224 178	27 116	371 971	180 669
Consumer goods	3 792	420 656	231 033	2 256	404 661	261 944
All other segments	3 812	193 053	622 778	1 868	171 798	592 192
Total	101 928	3 845 658	2 254 650	70 421	3 606 360	2 128 611
Reconciling items						
Inter-segment loans		(799 593)	(799 593)		(722 251)	(722 251)
Total as per statements of financial position		3 046 065	1 455 057		2 884 109	1 406 360
* Other than financial assets and deferred tax						
Geographical information						
	Revenue - internal R'000	2025 Revenue - external R'000	Non-current assets R'000	Revenue - internal R'000	2024 Revenue - external R'000	Non-current assets R'000
South Africa	208 210	6 721 884	1 079 626	259 608	6 557 050	1 093 079
USA	22 724	48 428	3 058	-	-	-
Eswatini	1 052 528	3 211	55 617	931 216	4 752	54 135
Lesotho	9 998	-	1 097	10 960	-	1 593
Total	1 293 460	6 773 523	1 139 398	1 201 784	6 561 802	1 148 807

BKB LIMITED AND ITS SUBSIDIARIES

(Registration number 1998/012435/06)
Annual Financial Statements for the year ended 30 June 2025

NOTES TO THE FINANCIAL STATEMENTS

2 Property, plant and equipment

	Land and buildings	Plant and machinery	Motor vehicles	Furniture and fixtures	Office equipment	Computer equipment	Total
	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Group							
Year ended 30 June 2025							
Opening net book value	477 476	225 178	76 011	6 882	2 149	10 845	798 541
Additions	9 996	64 120	12 986	1 361	1 001	6 280	95 744
Acquired through business combinations	-	1 332	110	-	-	9	1 451
Disposals	(350)	(498)	(3 558)	(29)	(58)	(236)	(4 729)
Impairment	-	(272)	-	-	-	-	(272)
Transfers	1 711	(1 290)	(540)	8	111	-	-
Transfer to classified as held for sale	-	(12 025)	-	-	-	-	(12 025)
Revaluations	937	-	-	-	-	-	937
Depreciation	-	(19 847)	(9 305)	(1 171)	(803)	(5 849)	(36 975)
Closing net book value	489 770	256 698	75 704	7 051	2 400	11 049	842 672
At 30 June 2025							
Cost or fair value	489 770	384 169	129 752	17 308	11 441	45 108	1 077 548
Accumulated depreciation	-	(127 471)	(54 048)	(10 257)	(9 041)	(34 059)	(234 876)
Net book value	489 770	256 698	75 704	7 051	2 400	11 049	842 672
Year ended 30 June 2024							
Opening net book value	455 917	236 317	73 071	6 462	2 014	11 735	785 516
Additions	6 573	33 512	16 461	1 708	957	5 439	64 650
Disposals	(11 028)	(4 131)	(4 482)	(124)	(39)	(162)	(19 966)
Impairment	(1 764)	(1 873)	(122)	(28)	(2)	(79)	(3 868)
Transfers	(877)	(20 536)	795	(42)	(40)	-	(20 700)
Transfer from/(to) classified as held for sale	-	5 918	(250)	(5)	-	(10)	5 653
Revaluations	28 655	-	-	-	-	-	28 655
Depreciation	-	(24 029)	(9 462)	(1 089)	(741)	(6 078)	(41 399)
Closing net book value	477 476	225 178	76 011	6 882	2 149	10 845	798 541
At 30 June 2024							
Cost or fair value	477 476	338 111	125 102	16 042	10 689	41 575	1 008 995
Accumulated depreciation	-	(112 933)	(49 091)	(9 160)	(8 540)	(30 730)	(210 454)
Net book value	477 476	225 178	76 011	6 882	2 149	10 845	798 541
Company							
Year ended 30 June 2025							
Opening net book value	377 875	56 359	52 270	6 161	1 895	8 176	502 736
Additions	8 326	7 254	12 397	1 062	622	4 660	34 321
Addition from group entity	8 340	-	-	-	-	-	8 340
Disposals	(350)	(229)	(3 160)	(24)	-	(144)	(3 907)
Transfers	-	540	(540)	-	-	-	-
Depreciation	-	(6 916)	(6 845)	(970)	(688)	(4 417)	(19 836)
Closing net book value	394 191	57 008	54 122	6 229	1 829	8 275	521 654
At 30 June 2025							
Cost or fair value	394 191	108 450	100 147	15 607	10 282	35 624	664 301
Accumulated depreciation	-	(51 442)	(46 025)	(9 378)	(8 453)	(27 349)	(142 647)
Net book value	394 191	57 008	54 122	6 229	1 829	8 275	521 654

BKB LIMITED AND ITS SUBSIDIARIES

(Registration number 1998/012435/06)
Annual Financial Statements for the year ended 30 June 2025

NOTES TO THE FINANCIAL STATEMENTS

2 Property, plant and equipment (continued)

	Land and buildings	Plant and machinery	Motor vehicles	Furniture and fixtures	Office equipment	Computer equipment	Total
	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Company							
Year ended 30 June 2024							
Opening net book value	353 675	49 582	52 869	5 551	1 684	8 624	471 985
Additions	5 404	14 044	9 687	1 503	909	4 460	36 007
Disposals	(2 278)	(566)	(3 327)	(16)	(40)	(84)	(6 311)
Transfers	-	99	(99)	-	-	-	-
Revaluations	21 074	-	-	-	-	-	21 074
Depreciation	-	(6 800)	(6 860)	(877)	(658)	(4 824)	(20 019)
Closing net book value	377 875	56 359	52 270	6 161	1 895	8 176	502 736
At 30 June 2024							
Cost or fair value	377 875	102 386	95 693	14 658	9 925	33 459	633 996
Accumulated depreciation	-	(46 027)	(43 423)	(8 497)	(8 030)	(25 283)	(131 260)
Net book value	377 875	56 359	52 270	6 161	1 895	8 176	502 736
Net carrying amounts of assets under instalment sale agreements							
	Group		Company				
	2025 R'000	2024 R'000	2025 R'000	2024 R'000			
Plant and machinery	-	4 573	-	-			
Motor vehicles	-	2 872	-	-			
	-	7 445	-	-			
Group and Company properties to the value of R369 576 575 (2024: R365 303 748) serve as security for the covering bonds. Refer to Note 18.							
Revaluations							
Revaluations are performed every three years on the Group's office building and fibre warehouse as well as on its processing and packaging plant buildings. Retail branches, residential buildings as well as shearing and auction facilities are valued every five years.							
Refer to Note 42 for specific details regarding the valuation of the land and buildings.							
The carrying value of the revalued assets under the cost model would have been:							
	Group		Company				
	2025 R'000	2024 R'000	2025 R'000	2024 R'000			
Land and buildings	304 123	292 475	162 587	145 980			
Registers with details of land and buildings are available for inspection by shareholders or their duly authorised representatives at the registered office of the Company.							
The cost of assets includes assets in progress to the value of R53 117 248 (2024: R2 502 014) for the Group and R5 747 037 (2024: R2 502 014) for the Company.							
Government grants							
Government grants were obtained with regard to assets purchased between May 2015 to June 2019. Total cost included in plant and machinery for Group and Company is R42 675 013 (2024: R60 194 047) and the grants received amounted to R53 625 868. The carrying values of these assets are R19 324 123 (2024: R25 635 244) and the grant remaining value is R14 735 748 (2024: R20 547 790).							

BKB LIMITED AND ITS SUBSIDIARIES

(Registration number 1998/012435/06)
Annual Financial Statements for the year ended 30 June 2025

NOTES TO THE FINANCIAL STATEMENTS

3 Right-of-use assets and lease liabilities

The Group leases offices, warehouses, retail stores, equipment and forklifts. Rental contracts are typically made for fixed periods of two to fifteen years. These leases can be extended or early terminated. This note provides information for leases where the Group is a lessee.

Amounts recognised in the Statements of financial position

The statements of financial position show the following amounts relating to leases:

	Group		Company	
	2025 R'000	2024 R'000	2025 R'000	2024 R'000
Right-of-use assets				
Buildings	52 832	58 533	22 093	23 504
Equipment	3 232	2 086	2 366	824
Forklifts	8 099	8 347	6 783	5 937
	64 163	68 966	31 242	30 265
Lease liabilities				
Current	13 851	17 389	8 847	11 229
Non-Current	64 932	66 117	29 322	26 444
	78 783	83 506	38 169	37 673

The maturity analysis of lease liabilities is set out in Note 41.

Additions to the right-of-use assets during the year	16 329	7 658	15 238	4 981
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Amounts recognised in the Statements of profit or loss

The statements of profit or loss show the following amounts relating to leases (Including discontinued operations):

Depreciation charge of right-of-use assets

Buildings (2 - 15 years)	14 303	13 927	9 484	9 032
Equipment (3 - 5 years)	901	1 231	505	495
Forklifts (3 - 5 years)	3 608	3 324	1 943	1 642
	18 812	18 482	11 932	11 169

Interest expense	6 925	7 307	3 742	3 927
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Included in operating expenses:

Expenses relating to short-term leases	4 833	5 478	1 499	2 534
Expenses relating to leases of low-value assets	2 809	4 381	909	2 209
Expenses relating to variable lease payments	3 256	2 151	6 400	5 268

Included in cost of sales:

Expenses relating to short-term leases	941	520	-	-
Expenses relating to leases of low-value assets	1 905	3 188	-	-
Expenses relating to variable lease payments	-	734	-	-

Amounts recognised in the Statements of cash flows

Total cash outflow for leases were:

Included in financing activities	18 218	16 419	12 157	10 639
Included in operating activities	20 669	23 759	12 550	13 938

Variable lease payments

Some property leases contain variable payment terms that are linked to value of business generated at auctions. Lease payments are calculated on the basis of 1% of value of business. Variable payment terms are used for a variety of reasons, including minimising the fixed costs base for auctions held. Variable lease payments that depend on value of business are recognised in profit or loss in the period in which the condition that triggers those payments occurs.

BKB LIMITED AND ITS SUBSIDIARIES

(Registration number 1998/012435/06)
Annual Financial Statements for the year ended 30 June 2025

NOTES TO THE FINANCIAL STATEMENTS

	Group		Company	
	2025 R'000	2024 R'000	2025 R'000	2024 R'000

4 Investment property

Balance at the beginning of the year	61 239	38 689	15 739	13 889
Additions	424	1 850	424	1 850
Disposals	(1 530)	-	(1 530)	-
Transfers from property, plant and equipment (Note 2)	-	20 700	-	-
Transfer to classified as held for sale (Note 15)	(25 000)	-	-	-
Fair value adjustments	4 300	-	-	-
Balance at the end of the year	39 433	61 239	14 633	15 739

Amounts recognised in profit and loss for the year

Rental income	3 494	1 512	652	823
Direct operating expenses	(806)	(1 024)	(527)	(593)

Refer to Note 42 for fair value information used in fair value measurement of investment property.

Registers with details of investment properties are available for inspection by shareholders or their duly authorised representatives at the registered office of the Company.

	Group		Company	
	2025 R'000	2024 R'000	2025 R'000	2024 R'000

5 Intangible Assets

Goodwill

Balance at the beginning of the year				
Cost	82 219	86 719	41 088	45 588
Accumulated impairment	(103)	(4 500)	-	(4 500)
	82 116	82 219	41 088	41 088

Balance at the beginning of the year	82 116	82 219	41 088	41 088
Impairment	(1 774)	(103)	(750)	-
Balance at the end of the year	80 342	82 116	40 338	41 088

Balance at the end of the year				
Cost	82 116	82 219	41 088	41 088
Accumulated impairment	(1 774)	(103)	(750)	-
	80 342	82 116	40 338	41 088

Goodwill relates to the acquisitions of:

Provident Group	8 525	8 525	5 525	5 525
BKB Van Wyk (Pty) Ltd	16 216	16 216	16 216	16 216
BKBLouwid (Pty) Ltd	6 876	6 876	6 876	6 876
KLK livestock division	-	750	-	750
GWK livestock division	11 721	11 721	11 721	11 721
GWK Properties	3 942	3 942	-	-
Wool and Mohair Exchange NPC	-	1 024	-	-
Grainco (Pty) Ltd	13 716	13 716	-	-
Atlanta Products (Pty) Ltd	19 346	19 346	-	-
	80 342	82 116	40 338	41 088

Goodwill allocation per operating segment:

Retail and fuel	8 525	8 525	5 525	5 525
Livestock and properties	38 755	39 505	34 813	35 563
Leasing of properties	-	1 024	-	-
Grains	13 716	13 716	-	-
Consumer goods	19 346	19 346	-	-
	80 342	82 116	40 338	41 088

BKB LIMITED AND ITS SUBSIDIARIES
(Registration number 1998/012435/06)
Annual Financial Statements for the year ended 30 June 2025

NOTES TO THE FINANCIAL STATEMENTS

	Group		Company	
	2025 R'000	2024 R'000	2025 R'000	2024 R'000
5 Intangible Assets (continued)				
Trade rights				
Balance at the beginning of the year	967	1 798	967	1 798
Amortisation	(400)	(831)	(400)	(831)
Balance at the end of the year	567	967	567	967
Cost	3 202	3 202	3 202	3 202
Accumulated amortisation and impairment	(2 635)	(2 235)	(2 635)	(2 235)
	567	967	567	967
Trade rights comprises of:				
Auction rights - Slabbert, Verster & Malherbe	567	967	567	967
Brand names				
Balance at the beginning of the year	887	952	887	952
Amortisation	(65)	(65)	(65)	(65)
Balance at the end of the year	822	887	822	887
Cost	968	21 946	968	968
Accumulated amortisation and impairment	(146)	(21 059)	(146)	(81)
	822	887	822	887
Brand names comprises of:				
Provident Group	822	887	822	887
Client lists and relationships				
Balance at the beginning of the year				
Cost	102 460	110 415	47 063	51 074
Accumulated amortisation and impairment	(63 473)	(67 477)	(8 076)	(8 136)
	38 987	42 938	38 987	42 938
Balance at the beginning of the year	38 987	42 938	38 987	42 938
Amortisation	(3 951)	(3 951)	(3 951)	(3 951)
Balance at the end of the year	35 036	38 987	35 036	38 987
Balance at the end of the year				
Cost	96 744	102 460	47 063	47 063
Accumulated amortisation and impairment	(61 708)	(63 473)	(12 027)	(8 076)
	35 036	38 987	35 036	38 987
Client lists and relationships comprises of:				
Provident Group	23 059	24 868	23 059	24 868
GWK livestock division	11 677	13 519	11 677	13 519
RobCaw Auctioneers	300	600	300	600
	35 036	38 987	35 036	38 987
Computer software				
Balance at the beginning of the year	8 064	6 288	3 568	3 340
Additions	4 309	3 921	4 229	1 689
Disposals	-	(160)	-	(158)
Impairment	-	(120)	-	(120)
Amortisation	(2 189)	(1 865)	(1 350)	(1 183)
Balance at the end of the year	10 184	8 064	6 447	3 568
Cost	30 018	25 707	23 619	19 388
Accumulated amortisation and impairment	(19 834)	(17 643)	(17 172)	(15 820)
	10 184	8 064	6 447	3 568
	126 951	131 021	83 210	85 497

The cost of computer software includes assets in progress to the value of R400 000 (2024: R402 406) for the Group and R400 000 (2024: R402 406) for the Company. The remaining useful lives for client lists and relationships relating to the GWK livestock division is six years and thirteen years for the Provident Group.

BKB LIMITED AND ITS SUBSIDIARIES
(Registration number 1998/012435/06)
Annual Financial Statements for the year ended 30 June 2025

NOTES TO THE FINANCIAL STATEMENTS

6 Impairment of assets

Value in use

Goodwill is allocated to the Group's cash-generating units (CGU's) identified according to internal company structure and/or business segment. The recoverable amount of a cash-generating unit is determined based on value-in-use calculations. The calculations use cash flow projections based on financial budgets approved by management, and a terminal value, where applicable. The discount rates used in the impairment calculations were determined based on the weighted average cost of capital (WACC).

The period over which management has projected cash flows is based on financial budgets approved by management for the next financial year which was then further projected for another four years.

The growth rate used to extrapolate cash flow projections beyond the period covered in the calculation was based on most recent budgets.

	Retail and fuel: Provident Group	Livestock and properties South: GWK	Livestock and properties North: BKB Van Wyk and BKBLouwid	Consumer goods: Atlanta Products	Grains: Storage and Handling Division
Significant assumption used					
2025					
Value of business/revenue growth rate	6.0%	4.5%	4.5%	5.0%	4.5%
Terminal growth rate	3.0%	4.5%	4.5%	5.0%	4.5%
Gross profit percentage	15.4%	-	-	8.4%	-
Commission percentage	-	4.5%	5.0%	-	-
Bad debt as percentage of income	-	2.0%	7.9%	-	-
Pre-tax WACC	17.3%	17.3%	17.3%	18.1%	17.3%
	R'000	R'000	R'000	R'000	R'000
Value in use (recoverable amount)	64 758	105 122	303 616	515 079	205 201
Value in use exceeds carrying amount by	15 932	6 416	130 642	355 910	103 469
2024					
Value of business/revenue growth rate	7.0%	5.1%	5.1%	4.0%	5.1%
Terminal growth rate	3.5%	5.1%	5.1%	4.0%	5.1%
Gross profit percentage	14.3%	-	-	8.5%	-
Commission percentage	-	4.6%	5.0%	-	-
Bad debt as percentage of income	-	2.1%	3.6%	-	-
Pre-tax WACC	17.8%	17.8%	17.8%	18.5%	17.7%
	R'000	R'000	R'000	R'000	R'000
Value in use (recoverable amount)	61 840	115 319	334 030	346 695	176 776
Value in use exceeds carrying amount by	7 387	34 302	168 237	253 922	62 317

The increase in the value in use that exceeds the carrying amount within the Retail and fuel - Provident Group CGU is mainly due to lower working capital requirements through better debtors management.

The Livestock South region has been trading successfully despite having foot and mouth disease restrictions for the entire financial year. Although the ban has been lifted after year end, the producers and subsequently the auctions, will take some time to recover, prolonging the recovery to prior levels. Despite having a full year of foot and mouth disease, the recoverable amount of the CGU still exceeds the carrying amount and does not require an impairment.

The decrease in the value in use that exceeds the carrying amount within the Livestock and properties: North CGU is mainly due to higher working capital requirements as well as a slightly lower growth in commission percentage year on year. Management has assessed the impact of foot and mouth disease on the region and has concluded that it will not have a significant impact, due to the dispersed geographical footprint.

The increase in the value in use (recoverable amount) in the Consumer goods - Atlanta Division CGU is primarily impacted by an increase in free cash flows projected due to improved volume and revenue growth within the business and a decrease in the WACC rate.

The increase in the value in use (recoverable amount) in the Grains - Storage and Handling Division CGU is primarily impacted by an increase in free cash flows projected due to improved market conditions and a decrease in the WACC rate.

Goodwill relating to Wool and Mohair Exchange NPC (Leasing of properties segment) to the value of R1 024 556 and R750 000 relating to KLK livestock division (Livestock and properties segment) were impaired during the year.

No other impairment of goodwill arose due to the value-in-use impairment calculations supporting current carrying values.



BKB LIMITED AND ITS SUBSIDIARIES
(Registration number 1998/012435/06)
Annual Financial Statements for the year ended 30 June 2025

NOTES TO THE FINANCIAL STATEMENTS

6 Impairment of assets (continued)

Sensitivity of key assumptions

The impairment tests were performed at 30 June 2025. The recoverable amounts were determined on the basis of the value in use using the discounted cash flow method. The basis for projecting future cash flows is the business plans prepared by management for the five years 2026 to 2030. These plans take into consideration historical empirical values and management's expectations regarding the future development of the relevant markets. The impairment tests took into account the assumptions tabled above.

The recoverable amounts of the cash-generating units would equal their carrying amounts if management assumptions were changed to the following rates or percentages:

	Retail and fuel: Provident Group	Livestock and properties South: GWK	Livestock and properties North: BKB Van Wyk and BKBLouwid	Consumer goods: Atlanta Products	Grains: Storage and Handling Division
Impact of changes in key assumptions					
2025					
Revenue growth rate	1.5%	3.6%	(0.6%)	(23.7%)	(12.4%)
Gross profit	13.9%	-	-	5.0%	-
Commission percentage	-	4.3%	4.2%	-	-
Bad debt as percentage of income	-	29.9%	19.1%	-	-
Pre-tax WACC	21.6%	18.3%	26.3%	45.3%	31.7%
2024					
Revenue growth rate	5.2%	0.2%	(0.4%)	(18.5%)	(2.0%)
Gross profit	13.7%	-	-	5.3%	-
Commission percentage	-	3.7%	4.1%	-	-
Bad debt as percentage of income	-	14.0%	15.6%	-	-
Pre-tax WACC	19.6%	23.6%	28.8%	47.5%	24.4%

BKB LIMITED AND ITS SUBSIDIARIES
(Registration number 1998/012435/06)
Annual Financial Statements for the year ended 30 June 2025

NOTES TO THE FINANCIAL STATEMENTS

7 Investments in subsidiaries

The following table lists the entities which are controlled by the Company, either directly or indirectly through subsidiaries.

	2025 % holding	2024 % holding	Company 2025 R'000	2024 R'000
BKB Shearing (Pty) Ltd	100%	100%	-	-
Lihoai Consultancy (Pty) Ltd	100%	100%	1	1
BKB Lesotho (Pty) Ltd	50%	100%	-	-
Anzomix (Pty) Ltd	100%	100%	-	-
The House of Fibre (Pty) Ltd	100%	100%	-	-
BKB Pinnacle Fibres (Pty) Ltd	100%	100%	13	13
Wool Partners Incorporated	100%	0%	-	-
Rosswell WoolBrokers LLC	100%	0%	-	-
BKB Fuels (Pty) Ltd	100%	100%	-	-
BKB Distribution Centre (Pty) Ltd	100%	100%	-	-
Farmervet (Pty) Ltd	100%	100%	3 001	3 001
Home & Hectare (Pty) Ltd	100%	100%	-	-
Veliciae Luxury Real Estate (Pty) Ltd	100%	75%	-	-
BKBLouwid (Pty) Ltd	100%	100%	-	-
BKB Van Wyk (Pty) Ltd	100%	100%	5	5
Hoëveld Veilingsentrum (Pty) Ltd	50%	50%	770	770
Shift Digital Acceleration (Pty) Ltd	100%	100%	1	1
Wool & Mohair Exchange of South Africa NPC	100%	100%	2 585	3 965
Billsons Coutts (Pty) Ltd	100%	100%	2 552	2 552
PaKHouse Brands (Pty) Ltd	100%	100%	266 659	266 054
Atlanta Sugar SA (Pty) Ltd (Deregistration in progress)	100%	100%	-	-
Grainco Group Holdings (Pty) Ltd (Deregistered 2/9/2024)	0%	100%	-	-
AlphaAlfa (Pty) Ltd	100%	100%	-	-
Grainco (Pty) Ltd	100%	100%	-	-
Pakhouse Fruits Holdings (Pty) Ltd	100%	100%	-	-
PaKHouse Foods (Pty) Ltd (previously Desert Raisins (Pty) Ltd)	100%	100%	2 219	1 814
Atlanta Investments (Pty) Ltd	100%	100%	-	-
Atlanta Products (Pty) Ltd	100%	100%	-	-
Oceanic Swaziland (Pty) Ltd	100%	100%	-	-
			277 806	278 176

Apart from Lihoai Consultancy (Pty) Ltd and BKB Lesotho (Pty) Ltd in Lesotho, Atlanta Investments (Pty) Ltd, Atlanta Products (Pty) Ltd and Oceanic Swaziland (Pty) Ltd in Eswatini, Wool Partners Incorporated and Roswell WoolBrokers LLC in USA, all other subsidiaries are incorporated in South Africa. All entities have the same year-end as BKB Limited except for Wool Partners Incorporated and Roswell WoolBrokers LLC that have 31 December year-ends.

8 Equity accounted investments

The following table lists the entities which the Group and Company have significant influence over.

	2025 % holding	2024 % holding	Group 2025 R'000	2024 R'000
Nutopia Agri Developments (Pty) Ltd	50%	50%	7 477	7 879
Bethlehem Veilingskrale (Pty) Ltd	50%	50%	1 203	1 203
			8 680	9 082
	2025 % holding	2024 % holding	Company 2025 R'000	2024 R'000
Bethlehem Veilingskrale (Pty) Ltd	50%	50%	1 203	1 203
			1 203	1 203

BKB LIMITED AND ITS SUBSIDIARIES
(Registration number 1998/012435/06)
Annual Financial Statements for the year ended 30 June 2025

NOTES TO THE FINANCIAL STATEMENTS

8 Equity accounted investments (continued)

Summarised financial information for investments

The tables below provide summarised financial information of the entities. The information disclosed reflects the amounts presented in the financial statements of both relevant entities and not the Group's share of those amounts. They have been amended to reflect adjustments made by BKB holding the interest, including fair value adjustments and modifications for differences in accounting policy.

	Group		Company	
	2025 R'000	2024 R'000	2025 R'000	2024 R'000
Summarised Statement of financial position				
Total assets	16 395	17 118	960	858
Total liabilities	(16 860)	(16 980)	(960)	(858)
Summarised Statement of profit or loss and other comprehensive income				
Revenue	2 559	2 491	830	771
Loss for the year	(602)	(550)	-	-
Included in Statement of profit or loss and other comprehensive income				
50% through profit and loss	(301)	(275)	-	-

9 Loans to group companies

BKB Pinnacle Fibres (Pty) Ltd	-	-	280 825	225 569
BKB Distribution Centre (Pty) Ltd	-	-	13 683	15 073
Farmervet (Pty) Ltd	-	-	12 566	16 770
Veliciae Luxury Real Estate (Pty) Ltd	-	-	298	-
Hoëveld Veilingsentrum (Pty) Ltd	-	-	18 641	15 823
Shift Digital Acceleration (Pty) Ltd	-	-	11 467	11 467
Wool & Mohair Exchange of South Africa NPC	-	-	-	4 776
Billsons Coutts (Pty) Ltd	-	-	1 100	1 077
PaKHouse Brands (Pty) Ltd	-	-	3 053	-
Pakhouse Fruits Holdings (Pty) Ltd	-	-	72 584	72 584
PaKHouse Foods (Pty) Ltd (previously Desert Raisins (Pty) Ltd)	-	-	-	33 383
	-	-	414 217	396 522
Expected credit loss allowance	-	-	(11 467)	(14 087)
Loans to group companies at amortised cost	-	-	402 750	382 435
Loans to subsidiaries are payable on demand and interest is charged at a prime related interest rate.				
Non-current assets	-	-	99 008	121 790
Current assets	-	-	303 742	260 645
	-	-	402 750	382 435

Non-current portions consists of amounts that will be repaid after 12 months based on the next year's budget for the Group.

Exposure to credit risk

Intercompany loans inherently expose the Company to credit risk, being the risk of financial loss which the Company will incur if subsidiaries fail to make payments as they fall due.

All new credit extended to subsidiaries is first assessed according to the approved Group budget to assess the subsidiaries' credit quality, as well as the credit limit which the subsidiary qualifies for. The maximum exposure to credit risk at the reporting date is the gross carrying amount net of the ECL.

BKB LIMITED AND ITS SUBSIDIARIES
(Registration number 1998/012435/06)
Annual Financial Statements for the year ended 30 June 2025

NOTES TO THE FINANCIAL STATEMENTS

9 Loans to group companies (continued)

Expected credit loss (ECL)

In determining the amount of expected credit losses, the Company has taken into account the financial position of the subsidiaries as well as future prospects in the industries in which the subsidiaries operate.

The carrying value of group loans receivable approximates its fair value.

	Group		Company	
	2025 R'000	2024 R'000	2025 R'000	2024 R'000
Expected credit loss allowance				
Balance at the beginning of the year	-	-	(14 087)	(20 972)
Remeasurement of loss allowance	-	-	2 620	6 885
Balance at the end of the year	-	-	(11 467)	(14 087)

The loss allowance comprise of allowances on the loans to Shift Digital Acceleration (Pty) Ltd of R11 467 388 (2024: R11 467 388) and to Pakhouse Foods (Pty) Ltd of Rnil (2024: R2 314 288).

BKB continued to provide financing to BKB Pinnacle Fibres (Pty) Ltd for the acquisition of wool. At year end the increase in the loan receivable to BKB Pinnacle Fibres (Pty) Ltd does not elevate the Company's credit risk exposure and is adequately secured by wool inventory and trade receivables that are secured by letters of credit.

The loan to PaKHouse Foods (Pty) Ltd was settled in the current year which resulted in the related ECL being reversed.

Subordination agreements with the subsidiaries BKB Distribution Centre (Pty) Ltd and Veliciae Luxury Real Estate (Pty) Ltd are in place.

10 Trade and other receivables

Financial instruments

Trade receivables	852 865	875 807	540 125	497 220
Producer advances	123 398	142 702	92 313	108 526
Expected credit loss allowance	(70 208)	(71 491)	(62 406)	(61 939)
Trade receivables at amortised cost	906 055	947 018	570 032	543 807
Loans to employees net of loss allowance	26 682	25 583	26 682	25 583
Sundry receivables	39 798	40 595	31 371	26 130

Non-financial instruments

VAT	49 661	44 037	16 050	17 530
Deposits	10 592	6 394	5 559	2 637
Prepayments	11 695	8 625	8 281	6 114
	1 044 483	1 072 252	657 975	621 801

Non-current assets	36 803	21 827	36 803	21 827
Current assets	1 007 680	1 050 425	621 172	599 974
	1 044 483	1 072 252	657 975	621 801

Eligible trade receivables and producer advances within the Group of R787,0 million (2024: R797,2 million) and within the Company of R494,5 million (2024: R449,3 million) are ceded as security for borrowings as detailed in Note 18.

BKB LIMITED AND ITS SUBSIDIARIES
(Registration number 1998/012435/06)
Annual Financial Statements for the year ended 30 June 2025

NOTES TO THE FINANCIAL STATEMENTS

10 Trade and other receivables (continued)

10.1 Receivable types and payment terms

Trade receivables

Trade receivable accounts consist of the following types per segment:
Natural fibre - mainly 90 day export wool buyers.
Retail and fuel - seasonal and 30 day monthly accounts. Market related interest levied on seasonal accounts. Monthly accounts are interest free for the first 30 days after statement after which interest is levied on arrears.
Livestock and properties - 7 and 14 day accounts. Interest is levied on arrears at market related rates.
Leasing of properties - lease receivables payable on invoice.
Grains - mainly 30 day and 60 day accounts. Interest is levied on arrears.
Consumer goods - mainly weekly to 30 day accounts. Interest is levied on arrears.

Producer advances

Producer advances consist mainly of advances to fibre (wool and mohair) producers. The amount advanced is based on previous season's production achieved and current market prices for the fibre. Repayment terms of up to twelve months. Interest is levied at market related rates.

Loans to employees

Loans to employees consist mainly of motor vehicle loans with market related terms and repayment of up to five years.

Sundry receivables

These amounts generally arise from transactions outside the usual operating activities of the Group. Sundry receivables include loans to BEE shareholder trusts and accrued income.

Non-current assets

Non-current portion includes loans to employees, loans to BEE shareholder trusts and the non-current portion of trade and other receivables. The nature of the non-current trade receivables accounts are the same as normal trade debtors. These facilities vary in duration between two and five years, are suitably secured and bear market related interest in line with the policies regarding interest for all trade receivables.

10.2 Exposure to credit risk

Trade receivables inherently expose the Group to credit risk, being the risk of financial loss which the Group will incur if customers fail to make payments as they fall due.

All credit extended to new and existing customers is first assessed according to the approved Group credit policy to assess the customer's credit quality, as well as the credit limit which the customer qualifies for. The maximum exposure to credit risk at the reporting date is the gross carrying value of receivables mentioned above. In addition to the above, letters of credit are obtained for foreign trade receivables as well as credit guarantee insurance cover.

The Group has no significant concentration of credit risk due to its wide spread customer base. The Group has policies in place to ensure that sales of products and services are only made to customers with an appropriate credit history, within approved credit limits and/or against appropriate securities.

Refer to note 41.3 for details on credit risk management.

10.3 Expected credit losses

Financial assets are subject to the impairment provisions of IFRS 9 Financial Instruments, which requires a loss allowance to be recognised for all exposures to credit risk. The objective of the impairment requirements is to recognise expected credit losses in respect of financial assets - whether assessed on an individual or portfolio basis. The impairment provision is monitored monthly by the Group Credit Committee, taking into account all reasonable and supportive information, including that which is forward-looking. The basis of impairment of a financial asset is dependent on the risk profile on initial recognition and on whether the credit risk of the financial asset has increased significantly since initial recognition. The Group measures the loss allowance by applying the three stage expected credit loss model to producer advances and loans to employees and the simplified approach, which is permitted by IFRS 9, for all trade receivables.

The Group considers the probability of default upon initial recognition of an asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information including expectations on macro-economic factors such as commodity prices specifically applicable to each operating segment, animal diseases, access to international markets, the country's credit rating and economical outlook as well as political risk. Trade receivables and advances are written off as bad when there is no reasonable expectation of recovery and management has ceased collection efforts.

BKB LIMITED AND ITS SUBSIDIARIES
(Registration number 1998/012435/06)
Annual Financial Statements for the year ended 30 June 2025

NOTES TO THE FINANCIAL STATEMENTS

10 Trade and other receivables (continued)

10.3 Expected credit losses (continued)

The following indicators are incorporated:

- internal credit rating
- external credit rating
- apparent financial problems or poor key financial ratios
- actual or expected significant adverse changes in the borrower's ability to meet its obligations
- non-compliance with arrangements or agreements
- significant changes in the value of the collateral supporting the obligation
- significant changes in the expected performance and behaviour of the borrower

Specific impairment

Trade receivables, producer advances and employee loans that are credit impaired are specifically evaluated and impaired to the extent necessary. Specific impairment is determined based on inputs for each debtor and reflect the actual risk Loss Given Default (LGD) for possible bad debt, taking into account all collateral held and available financial information. Accounts are partially or fully impaired.

Portfolio impairment

The Group measures the balance of the trade receivables, producer advances and loans to employees, not credit impaired, by applying the three stage expected credit loss model to producer advances and employee loans, and the simplified approach to all trade receivables. Stage 1 within the three stage expected credit loss model is measured using the 12-month expected credit losses. All other allowances are measured using the lifetime expected credit losses.

Trade receivables

Portfolio impairment

Trade receivables follow the simplified approach, where the lifetime expected credit losses are estimated using a provision matrix for trade receivables not credit impaired.

The Group establishes a provision matrix per operating segment, based on historical observed default rates, adjusted for forward-looking factors. Within each operating segment the trade receivables are defined in different categories based on the risk profile and the days past due. Historical observed default rates are calculated within each operating segment for each of these categories. The expected credit loss percentage applied to each category includes the forward-looking risk of default.

The different categories in trade debtors are defined as follows:

Debtors within terms:

Normal - Accounts which are within payment terms agreed at the time of initial recognition.

Debtors outside terms but not credit impaired:

Monitor - Accounts exceeding payment terms by less than 30 days, except for livestock accounts which represent accounts exceeding payment terms by less than 16 days.

Credit - Accounts exceeding payment terms by 30 to 60 days, except for livestock accounts which represent accounts exceeding payment terms by 17 to 32 days.

Risk - Accounts exceeding payment terms by more than 60 days, except for livestock accounts which represent accounts exceeding payment terms by more than 32 days.

Doubtful - Accounts where there is a possibility of default or potential bad debt and accounts that may have been handed over to attorneys for collections.

Specific impairment

Debtors credit impaired:

Accounts with specific evidence of impairment and partially or fully provided for.

BKB LIMITED AND ITS SUBSIDIARIES
(Registration number 1998/012435/06)
Annual Financial Statements for the year ended 30 June 2025

NOTES TO THE FINANCIAL STATEMENTS

10 Trade and other receivables (continued)

10.3 Expected credit losses (continued)

Producer advances

Portfolio impairment

Producer advances represent advances and production loans which inherently expose the Group to credit risk, being the risk that the Group will incur financial loss if the customer fails to make payment as they fall due. The maximum exposure to credit risk at the reporting date is the carrying value of advances mentioned above. Producer advances are assessed using a portfolio impairment assessment approach, where advances with similar credit risks and characteristics are grouped together and assessed for impairment.

The Group measures the loss allowance by applying the three stage expected credit loss model, adjusted for forward-looking factors. The producer advances are assigned to internal risk rating grades based on the credit risk assessment by Agrifin (Group financial service department) at the time of granting the advance, which takes into account the inherent risk of the customer and securities provided for these advances. The amount of the respective allowances for impairment losses is determined using the following formula:

Impairment = Total book x Probability of Default % (PD%) x Loss Given Default % (LGD%) x Forward Looking Factor

The Probability of Default is based on the S&P corporate rates per credit grading.
Loss Given Default (LGD) is the exposure amount after taking into consideration any recovery, represented as a percentage of total exposure at the time of loss.
The Forward Looking factors are adjusted for producer advances.

In accordance with IFRS 9 Financial instruments, producer advances are classified into the following stages for impairment purposes:

Debtors within terms:
Stage 1: the loss allowance measured at an amount equal to 12-month expected credit losses.
This represents advances which are within their payment terms and with no significant increase in credit risk since initial recognition.

Debtors outside terms but not credit impaired:
Stage 2: the loss allowance measured at an amount equal to lifetime expected credit losses.
Advances whose credit risk has increased since initial recognition due to them falling outside of the payment terms agreed on initial recognition.

Specific impairment
Debtors credit impaired:
Stage 3: Producer advances that are credit-impaired.

These advances have not all been handed over for collection but there is an indicator of impairment and they have been provided for partially or in full.

Loans to employees

The Group measures the loss allowance by applying the three stage expected credit loss model as per producer advances.

Sundry debtors

Sundry debtors has been assessed for impairment. In determining the amount of expected credit losses, the Group has taken into account any historic default experience, the financial position of counterparties, as well as future prospects. Collateral in the form of stock is held for accrued income and BKB shares for the loans to BEE shareholder trusts. The expected credit losses for these accounts are insignificant.

BKB LIMITED AND ITS SUBSIDIARIES
(Registration number 1998/012435/06)
Annual Financial Statements for the year ended 30 June 2025

NOTES TO THE FINANCIAL STATEMENTS

	Number of Accounts	Balance	Specific provision	General provision	Average risk factor	Total expected credit loss allowance
10 Trade and other receivables (continued)						
Group - 2025						
Debtors within terms						
Trade receivables						
Natural fibre	31	83 770	-	(24)	0.0%	(24)
Retail and fuel	2 649	172 597	-	(765)	-0.4%	(765)
Livestock and properties	259	96 849	-	(365)	-0.4%	(365)
Grains	30	38 933	-	(42)	-0.1%	(42)
Consumer goods	35	40 106	-	-	0.0%	-
All other segments	6	168	-	(9)	-5.4%	(9)
	3 010	432 423	-	(1 205)	-0.3%	(1 205)
Producer advances						
Natural fibre	699	112 420	-	(1 853)	-1.6%	(1 853)
	699	112 420	-	(1 853)	-1.6%	(1 853)
Loans to employees						
All other segments	69	22 656	-	(194)	-0.9%	(194)
	69	22 656	-	(194)	-0.9%	(194)
Total	3 778	567 499	-	(3 252)	-0.6%	(3 252)
Debtors outside terms						
Trade receivables						
Natural fibre	39	9 315	-	-	0.0%	-
Retail and fuel	740	40 108	-	(1 359)	-3.4%	(1 359)
Livestock and properties	255	135 927	-	(2 661)	-2.0%	(2 661)
Leasing of properties	12	324	-	(5)	-1.5%	(5)
Grains	52	54 472	-	(1 463)	-2.7%	(1 463)
Consumer goods	66	78 296	-	(120)	-0.2%	(120)
	1 164	318 442	-	(5 608)	-1.8%	(5 608)
Producer advances						
Natural fibre	184	9 772	-	(985)	-10.1%	(985)
	184	9 772	-	(985)	-10.1%	(985)
Loans to employees						
All other segments	9	3 476	-	(41)	-1.2%	(41)
	9	3 476	-	(41)	-1.2%	(41)
Total	1 357	331 690	-	(6 634)	-2.0%	(6 634)
Debtors credit impaired						
Trade receivables						
Retail and fuel	58	10 082	(2 562)	-	-25.4%	(2 562)
Livestock and properties	93	85 382	(51 121)	-	-59.9%	(51 121)
Leasing of properties	4	548	(548)	-	-100.0%	(548)
Grains	12	2 374	(2 374)	-	-100.0%	(2 374)
Consumer goods	6	2 390	(2 176)	-	-91.0%	(2 176)
All other segments	5	1 224	(646)	-	-52.8%	(646)
	178	102 000	(59 427)	-	-58.3%	(59 427)
Producer advances						
Natural fibre	85	1 206	(1 130)	-	-93.7%	(1 130)
	85	1 206	(1 130)	-	-93.7%	(1 130)
Loans to employees						
All other segments	7	1 786	(1 001)	-	-56.0%	(1 001)
	7	1 786	(1 001)	-	-56.0%	(1 001)
Total	270	104 992	(61 558)	-	-58.6%	(61 558)
Trade receivables	4 352	852 865	(59 427)	(6 813)	-7.8%	(66 240)
Producer advances	968	123 398	(1 130)	(2 838)	-3.2%	(3 968)
Loans to employees	85	27 918	(1 001)	(235)	-4.4%	(1 236)
Debtors total	5 405	1 004 181	(61 558)	(9 886)	-7.1%	(71 444)
Stratification						
Trade receivables						
Natural fibre	2 378	2 596	33 460	25 726	28 925	93 085
Retail and fuel	99 203	24 188	53 169	46 227	-	222 787
Livestock and properties	37 493	47 775	144 641	26 245	62 004	318 158
Leasing of properties	872	-	-	-	-	872
Grains	6 134	4 418	21 653	31 657	31 917	95 779
Consumer goods	6 498	21 363	78 620	14 311	-	120 792
All other segments	622	770	-	-	-	1 392
	153 200	101 110	331 543	144 166	122 846	852 865
Producer advances						
Natural fibre	41 094	17 367	20 562	16 362	28 013	123 398
	41 094	17 367	20 562	16 362	28 013	123 398
Loans to employees						
All other segments	23 447	4 471	-	-	-	27 918
	23 447	4 471	-	-	-	27 918
Total	217 741	122 948	352 105	160 528	150 859	1 004 181

BKB LIMITED AND ITS SUBSIDIARIES
(Registration number 1998/012435/06)
Annual Financial Statements for the year ended 30 June 2025

NOTES TO THE FINANCIAL STATEMENTS

	Number of Accounts	Balance	Specific provision	General provision	Average risk factor	Total expected credit loss allowance
10 Trade and other receivables (continued)						
Group - 2024						
Debtors within terms						
Trade receivables						
Natural fibre	30	139 821	-	-	0.0%	-
Retail and fuel	2 573	150 886	-	(424)	-0.3%	(424)
Livestock and properties	220	61 236	-	(319)	-0.5%	(319)
Leasing of properties	4	31	-	-	0.0%	-
Grains	59	66 653	-	(1 155)	-1.7%	(1 155)
Consumer goods	95	69 177	-	(9)	0.0%	(9)
All other segments	10	246	-	(120)	-48.8%	(120)
	2 991	488 050	-	(2 027)	-0.4%	(2 027)
Producer advances						
Natural fibre	670	114 716	-	(2 682)	-2.3%	(2 682)
	670	114 716	-	(2 682)	-2.3%	(2 682)
Loans to employees						
All other segments	68	23 091	-	(185)	-0.8%	(185)
	68	23 091	-	(185)	-0.8%	(185)
Total	3 729	625 857	-	(4 894)	-0.8%	(4 894)
Debtors outside terms						
Trade receivables						
Natural fibre	19	8 011	-	-	0.0%	-
Retail and fuel	912	51 217	-	(877)	-1.7%	(877)
Livestock and properties	303	152 625	-	(3 364)	-2.2%	(3 364)
Leasing of properties	12	187	-	(4)	-2.1%	(4)
Grains	34	2 746	-	-	0.0%	-
Consumer goods	19	78 669	-	(253)	-0.3%	(253)
All other segments	9	76	-	-	0.0%	-
	1 308	293 531	-	(4 498)	-1.5%	(4 498)
Producer advances						
Natural fibre	289	26 020	-	(215)	-0.8%	(215)
	289	26 020	-	(215)	-0.8%	(215)
Loans to employees						
All other segments	9	3 211	-	(579)	-18.0%	(579)
	9	3 211	-	(579)	-18.0%	(579)
Total	1 606	322 762	-	(5 292)	-1.6%	(5 292)
Debtors credit impaired						
Trade receivables						
Retail and fuel	83	6 320	(2 041)	-	-32.3%	(2 041)
Livestock and properties	122	79 812	(50 392)	-	-63.1%	(50 392)
Leasing of properties	13	797	(682)	-	-85.6%	(682)
Grains	25	5 244	(5 025)	-	-95.8%	(5 025)
Consumer goods	8	1 981	(1 981)	-	-100.0%	(1 981)
All other segments	2	72	(72)	-	-100.0%	(72)
	253	94 226	(60 193)	-	-63.9%	(60 193)
Producer advances						
Natural fibre	114	1 966	(1 876)	-	-95.4%	(1 876)
	114	1 966	(1 876)	-	-95.4%	(1 876)
Loans to employees						
All other segments	2	275	(230)	-	-83.6%	(230)
	2	275	(230)	-	-83.6%	(230)
Total	369	96 467	(62 299)	-	-64.6%	(62 299)
Trade receivables	4 552	875 807	(60 193)	(6 525)	-7.6%	(66 718)
Producer advances	1 073	142 702	(1 876)	(2 897)	-3.3%	(4 773)
Loans to employees	79	26 577	(230)	(764)	-3.7%	(994)
Debtors total	5 704	1 045 086	(62 299)	(10 186)	-6.9%	(72 485)
Stratification	0-R500k	R500k - R1m	R1m-R5m	R5m-R10m	R10m+	Total
Trade receivables						
Natural fibre	773	1 277	35 526	40 854	69 402	147 832
Retail and fuel	110 027	27 305	43 483	27 608	-	208 423
Livestock and properties	40 242	36 763	126 933	49 404	40 331	293 673
Leasing of properties	1 015	-	-	-	-	1 015
Grains	9 443	1 851	35 577	27 772	-	74 643
Consumer goods	7 976	22 879	60 038	7 245	51 689	149 827
All other segments	394	-	-	-	-	394
	169 870	90 075	301 557	152 883	161 422	875 807
Producer advances						
Natural fibre	50 552	15 791	18 061	7 777	50 521	142 702
	50 552	15 791	18 061	7 777	50 521	142 702
Loans to employees						
All other segments	18 920	7 657	-	-	-	26 577
	18 920	7 657	-	-	-	26 577
Total	239 342	113 523	319 618	160 660	211 943	1 045 086

BKB LIMITED AND ITS SUBSIDIARIES
(Registration number 1998/012435/06)
Annual Financial Statements for the year ended 30 June 2025

NOTES TO THE FINANCIAL STATEMENTS

	Number of Accounts	Balance	Specific provision	General provision	Average risk factor	Total expected credit loss allowance
10 Trade and other receivables (continued)						
Company - 2025						
Debtors within terms						
Trade receivables						
Natural fibre	11	2 415	-	(24)	-1.0%	(24)
Retail and fuel	2 633	172 538	-	(759)	-0.4%	(759)
Livestock and properties	259	96 849	-	(363)	-0.4%	(363)
All other segments	6	168	-	(9)	-5.4%	(9)
	2 909	271 970	-	(1 155)	-0.4%	(1 155)
Producer advances						
Natural fibre	690	81 335	-	(1 853)	-2.3%	(1 853)
	690	81 335	-	(1 853)	-2.3%	(1 853)
Loans to employees						
All other segments	69	22 656	-	(194)	-0.9%	(194)
	69	22 656	-	(194)	-0.9%	(194)
Total	3 668	375 961	-	(3 202)	-0.9%	(3 202)
Debtors outside terms						
Trade receivables						
Retail and fuel	688	37 197	-	(1 295)	-3.5%	(1 295)
Livestock and properties	254	135 854	-	(2 661)	-2.0%	(2 661)
Leasing of properties	12	324	-	(5)	-1.5%	(5)
	954	173 375	-	(3 961)	-2.3%	(3 961)
Producer advances						
Natural fibre	184	9 772	-	(985)	-10.1%	(985)
	184	9 772	-	(985)	-10.1%	(985)
Loans to employees						
All other segments	9	3 476	-	(41)	-1.2%	(41)
	9	3 476	-	(41)	-1.2%	(41)
Total	1 147	186 623	-	(4 987)	-2.7%	(4 987)
Debtors credit impaired						
Trade receivables						
Retail and fuel	58	7 626	(1 005)	-	-13.2%	(1 005)
Livestock and properties	93	85 382	(51 123)	-	-59.9%	(51 123)
Leasing of properties	4	548	(548)	-	-100.0%	(548)
All other segments	5	1 224	(646)	-	-52.8%	(646)
	160	94 780	(53 322)	-	-56.3%	(53 322)
Producer advances						
Natural fibre	85	1 206	(1 130)	-	-93.7%	(1 130)
	85	1 206	(1 130)	-	-93.7%	(1 130)
Loans to employees						
All other segments	7	1 786	(1 001)	-	-56.0%	(1 001)
	7	1 786	(1 001)	-	-56.0%	(1 001)
Total	252	97 772	(55 453)	-	-56.7%	(55 453)
Trade receivables	4 023	540 125	(53 322)	(5 116)	-10.8%	(58 438)
Producer advances	959	92 313	(1 130)	(2 838)	-4.3%	(3 968)
Loans to employees	85	27 918	(1 001)	(235)	-4.4%	(1 236)
Debtors total	5 067	660 356	(55 453)	(8 189)	-9.6%	(63 642)
Stratification	0-R500k	R500k - R1m	R1m-R5m	R5m-R10m	R10m+	Total
Trade receivables						
Natural fibre	2 415	-	-	-	-	2 415
Retail and fuel	99 895	23 324	47 915	46 227	-	217 361
Livestock and properties	37 420	47 775	144 641	26 245	62 004	318 085
Leasing of properties	872	-	-	-	-	872
All other segments	622	770	-	-	-	1 392
	141 224	71 869	192 556	72 472	62 004	540 125
Producer advances						
Natural fibre	41 095	17 367	17 489	16 362	-	92 313
	41 095	17 367	17 489	16 362	-	92 313
Loans to employees						
All other segments	23 447	4 471	-	-	-	27 918
	23 447	4 471	-	-	-	27 918
Total	205 766	93 707	210 045	88 834	62 004	660 356

BKB LIMITED AND ITS SUBSIDIARIES
(Registration number 1998/012435/06)
Annual Financial Statements for the year ended 30 June 2025

NOTES TO THE FINANCIAL STATEMENTS

	Number of Accounts	Balance	Specific provision	General provision	Average risk factor	Total expected credit loss allowance
10 Trade and other receivables (continued)						
Company - 2024						
Debtors within terms						
Trade receivables						
Retail and fuel	2 545	150 881	-	(416)	-0.3%	(416)
Livestock and properties	217	61 123	-	(319)	-0.5%	(319)
Leasing of properties	2	1	-	-	0.0%	-
All other segments	10	407	-	(120)	-29.5%	(120)
	2 774	212 412	-	(855)	-0.4%	(855)
Producer advances						
Natural fibre	668	100 643	-	(2 682)	-2.7%	(2 682)
	668	100 643	-	(2 682)	-2.7%	(2 682)
Loans to employees						
All other segments	68	23 091	-	(185)	-0.8%	(185)
	68	23 091	-	(185)	-0.8%	(185)
Total	3 510	336 146	-	(3 722)	-1.1%	(3 722)
Debtors outside terms						
Trade receivables						
Retail and fuel	850	47 878	-	(839)	-1.8%	(839)
Livestock and properties	292	152 410	-	(3 364)	-2.2%	(3 364)
Leasing of properties	12	187	-	(4)	-2.1%	(4)
All other segments	9	76	-	-	0.0%	-
	1 163	200 551	-	(4 207)	-2.1%	(4 207)
Producer advances						
Natural fibre	289	5 917	-	(215)	-3.6%	(215)
	289	5 917	-	(215)	-3.6%	(215)
Loans to employees						
All other segments	9	3 211	-	(579)	-18.0%	(579)
	9	3 211	-	(579)	-18.0%	(579)
Total	1 461	209 679	-	(5 001)	-2.4%	(5 001)
Debtors credit impaired						
Trade receivables						
Retail and fuel	83	3 938	(1 320)	-	-33.5%	(1 320)
Livestock and properties	122	79 812	(50 391)	-	-63.1%	(50 391)
Leasing of properties	12	435	(321)	-	-73.8%	(321)
All other segments	2	72	(72)	-	-100.0%	(72)
	219	84 257	(52 104)	-	-61.8%	(52 104)
Producer advances						
Natural fibre	114	1 966	(1 876)	-	-95.4%	(1 876)
	114	1 966	(1 876)	-	-95.4%	(1 876)
Loans to employees						
All other segments	2	275	(230)	-	-83.6%	(230)
	2	275	(230)	-	-83.6%	(230)
Total	335	86 498	(54 210)	-	-62.7%	(54 210)
Trade receivables	4 156	497 220	(52 104)	(5 062)	-11.5%	(57 166)
Producer advances	1 071	108 526	(1 876)	(2 897)	-4.4%	(4 773)
Loans to employees	79	26 577	(230)	(764)	-3.7%	(994)
Debtors total	5 306	632 323	(54 210)	(8 723)	-10.0%	(62 933)
Stratification	0-R500k	R500k - R1m	R1m-R5m	R5m-R10m	R10m+	Total
Trade receivables						
Retail and fuel	105 901	25 705	43 483	27 608	-	202 697
Livestock and properties	39 914	36 763	126 933	49 404	40 331	293 345
Leasing of properties	623	-	-	-	-	623
All other segments	555	-	-	-	-	555
	146 993	62 468	170 416	77 012	40 331	497 220
Producer advances						
Natural fibre	50 503	15 791	18 061	7 777	16 394	108 526
	50 503	15 791	18 061	7 777	16 394	108 526
Loans to employees						
All other segments	18 920	7 657	-	-	-	26 577
	18 920	7 657	-	-	-	26 577
Total	216 416	85 916	188 477	84 789	56 725	632 323

BKB LIMITED AND ITS SUBSIDIARIES
(Registration number 1998/012435/06)
Annual Financial Statements for the year ended 30 June 2025

NOTES TO THE FINANCIAL STATEMENTS

	Group		Company	
	2025 R'000	2024 R'000	2025 R'000	2024 R'000
10 Trade and other receivables (continued)				
Specific loss allowance				
Balance at the beginning of the year	(62 299)	(42 407)	(54 211)	(31 161)
Increase during the year	(19 224)	(33 426)	(17 969)	(34 076)
Provisions reversed on settled trade receivables	4 388	1 683	2 917	1 587
Provision utilised	15 577	11 851	13 810	9 439
Balance at the end of the year	(61 558)	(62 299)	(55 453)	(54 211)
Portfolio loss allowance				
Balance at the beginning of the year	(10 186)	(14 285)	(8 722)	(11 378)
Remeasurement of loss allowance	300	4 099	533	2 656
Balance at the end of the year	(9 886)	(10 186)	(8 189)	(8 722)
Total loss allowance	(71 444)	(72 485)	(63 642)	(62 933)
Exposure to currency risk				
Rand	802 516	787 570	570 032	543 807
US Dollar	97 935	149 290	-	-
Chinese Yuan	1 306	10 158	-	-
Euro	4 298	-	-	-
	906 055	947 018	570 032	543 807

The carrying amounts of trade receivables denominated in US Dollars, Chinese Yuan and Euro have been presented in Rand by converting the foreign currency amount at the closing rate at the reporting date. Refer to Note 41.3 for Financial risk management on foreign currency risk.

	Group		Company	
	2025 R'000	2024 R'000	2025 R'000	2024 R'000
11 Deferred tax				
Analysis of deferred tax (liability)/asset				
Property, plant and equipment	(119 623)	(120 173)	(82 298)	(82 155)
Lease assets	(17 127)	(18 394)	(8 435)	(8 172)
Lease liabilities	21 065	22 304	10 306	10 172
Intangible assets	(5 011)	(5 509)	(3 152)	(3 650)
Provisions:				
Accrued leave pay	7 630	7 592	6 054	6 104
Accrued bonus	5 939	7 822	4 263	5 636
Provision for obsolete, slow moving and defective stock	4 118	3 928	4 118	3 928
Loss allowance	14 139	13 968	15 571	15 607
Provision for service bonus	2 416	2 499	2 416	2 499
Post-retirement medical aid liabilities	578	582	578	582
Other provisions	2 001	2 439	-	-
Realised capital loss	23 583	24 073	23 583	24 073
(Prepayments)/advances	(181)	(140)	70	125
Tax losses available for set off against future taxable income	48 846	66 841	-	-
Cash flow hedge reserve	(410)	647	-	-
	(12 037)	8 479	(26 926)	(25 251)
The total deferred tax (liability)/asset comprises:				
Deferred tax asset	131 041	152 695	66 960	68 726
Deferred tax liability	(143 078)	(144 216)	(93 886)	(93 977)
	(12 037)	8 479	(26 926)	(25 251)

The Group expects the entities with tax losses to generate future taxable income based on the forecasts. The realised capital loss will be set off against future capital gains mainly in respect of land and buildings.

Deferred tax assets and liabilities have been offset at individual entity level where the income taxes relate to the same jurisdiction and the law allows net settlement.

BKB LIMITED AND ITS SUBSIDIARIES
(Registration number 1998/012435/06)
Annual Financial Statements for the year ended 30 June 2025

NOTES TO THE FINANCIAL STATEMENTS

	Group		Company	
	2025 R'000	2024 R'000	2025 R'000	2024 R'000
11 Deferred tax (continued)				
Deferred tax comprises:				
Deferred tax assets				
Deferred tax assets recoverable within 12 months	62 627	41 327	32 405	34 470
Deferred tax assets recoverable after 12 months	68 414	111 368	34 555	34 256
Deferred tax liabilities				
Deferred tax liabilities payable within 12 months	(2 053)	(3 606)	(1 106)	(2 135)
Deferred tax liabilities payable after 12 months	(141 025)	(140 610)	(92 780)	(91 842)
	(12 037)	8 479	(26 926)	(25 251)
Reconciliation of deferred tax (liability)/asset				
Balance at the beginning of the year	8 479	23 328	(25 251)	(22 786)
Charge to profit or loss	(20 763)	3 965	(1 675)	3 225
Debit to other comprehensive income	247	(18 814)	-	(5 690)
Balance at the end of the year	(12 037)	8 479	(26 926)	(25 251)
For the purposes of Statement of financial position, deferred tax is presented as follows:				
Deferred tax asset	20 696	58 131	-	-
Deferred tax liability	(32 733)	(49 652)	(26 926)	(25 251)
	(12 037)	8 479	(26 926)	(25 251)
Deferred tax has not been raised for unused capital losses in the Group, amounting to R5 961 785 (2024: Rnil).				
Deferred tax has not been raised for deductible temporary differences and unused tax losses in the Group, amounting to R13 384 597 (2024: R12 667 511) and Company Rnil (2024: Rnil).				

	Group		Company	
	2025 R'000	2024 R'000	2025 R'000	2024 R'000
12 Inventories				
Farming requisites and merchandise	400 659	380 700	376 637	351 481
Wool and mohair inventory	258 392	164 260	37 010	42 991
Grain inventory	16 633	16 863	-	-
Sugar inventory	114 834	50 052	-	-
Consumables	14 811	15 661	3 753	4 592
	805 329	627 536	417 400	399 064
Provision for obsolete, slow moving and defective stock	(15 432)	(14 618)	(15 253)	(14 547)
	789 897	612 918	402 147	384 517
Inventory included at net realisable value	39 527	32 053	13 274	16 440
Grain inventory included at net realisable value	6 377	704	-	-
Inventories write downs and losses recognised as an expense in cost of sales	13 939	16 135	6 560	726
Group eligible inventory with a carrying value of R474,7 million (2024: R407,8 million) and Company eligible inventory with a carrying value of R357,3 million (2024: R331,6 million) serves as security for borrowings. Refer to Note 18.				

BKB LIMITED AND ITS SUBSIDIARIES
(Registration number 1998/012435/06)
Annual Financial Statements for the year ended 30 June 2025

NOTES TO THE FINANCIAL STATEMENTS

	Group		Company	
	2025 R'000	2024 R'000	2025 R'000	2024 R'000
13 Other financial assets/(liabilities)				
At fair value through profit or loss				
Foreign exchange contracts				
Foreign exchange contracts (financial asset)	4 173	5 325	-	-
Open forward contracts				
Comprise open forward contracts on the SAFEX. Open positions are valued using the SAFEX mark-to-market rate of a particular commodity at year end.	(783)	(8 878)	-	-
Net financial asset/(liability)	3 390	(3 553)	-	-
Current assets	4 173	5 325	-	-
Current liabilities	(783)	(8 878)	-	-
	3 390	(3 553)	-	-
Amounts recognised in comprehensive income				
Fair value gains/(losses) on other financial assets/(liabilities)				
At fair value through profit or loss recognised through profit or loss	4 335	3 532	(57)	(102)
At fair value through profit or loss recognised through other comprehensive income	4 501	2 256	-	-
At fair value through profit or loss recognised in loss from discontinued operations	-	1 028	-	-
At fair value through profit or loss recognised in OCI from discontinued operations	-	38 087	-	-
	8 836	44 903	(57)	(102)
The Group's exposure to various risks associated with the financial instruments is discussed in Note 41.3.				

	Group		Company	
	2025 R'000	2024 R'000	2025 R'000	2024 R'000
14 Cash and cash equivalents				
For the purposes of the statement of cash flows, cash and cash equivalents comprise of the following:				
Cash on hand	696	615	653	583
Bank balances	73 273	56 099	59 813	34 543
Bank overdrafts	(294)	(6 737)	-	(4 038)
Net cash and cash equivalents	73 675	49 977	60 466	31 088
Current assets	73 969	56 714	60 466	35 126
Current liabilities	(294)	(6 737)	-	(4 038)
	73 675	49 977	60 466	31 088
The Group has structured its overdraft and borrowing facilities through a Security SPV Guarantor. These facilities are being provided in equal proportions by First National Bank and ABSA. The Group overdraft facility is R200 000 000 of which R120 000 000 is unsecured. R80 000 000 is secured as per the Security SPV Guarantor (Refer Note 18).				

Credit ratings
ABSA Bank Limited Baa3
First National Bank (Division of FirstRand Bank Limited) Baa3

The bank overdrafts form an integral part of the Group's cash management. Bank overdrafts are thus included as a component of cash and cash equivalents. The Group's exposure to various risks associated with the financial instruments is discussed in Note 41.3.

BKB LIMITED AND ITS SUBSIDIARIES
(Registration number 1998/012435/06)
Annual Financial Statements for the year ended 30 June 2025

NOTES TO THE FINANCIAL STATEMENTS

	Group		Company	
	2025 R'000	2024 R'000	2025 R'000	2024 R'000
15 Assets classified as held for sale				
Reconciliation of assets				
Balance at the beginning of the year	9 076	44 976	-	-
Transferred from property, plant and equipment (Note 2)	12 025	6 372	-	-
Transferred from investment property (Note 4)	25 000	-	-	-
Disposals	(17 916)	(30 247)	-	-
Impaired during the year	(3 185)	-	-	-
Transferred to property, plant and equipment (Note 2)	-	(12 025)	-	-
Balance at the end of the year	25 000	9 076	-	-
Assets classified as held for sale				
PakHouse Foods (Pty) Ltd (previously Desert Raisins (Pty) Ltd) - plant and equipment associated with discontinued operations (Note 31)	-	3 186	-	-
PakHouse Foods (Pty) Ltd (previously AlphaAlfa (Pty) Ltd)) - property, plant and equipment associated with discontinued operations (Note 31)	25 000	5 890	-	-
	25 000	9 076	-	-

During the 2023 financial year, the Board approved the decision to discontinue the loss-making Desert Raisins business (PakHouse Foods (Pty) Ltd) in Kanoneiland, as well as the lucerne press operation in Kimberley. During the 2024 financial year, it was decided to also discontinue with the lucerne trading operations in Grainco (Pty) Ltd.

The lucerne press that was classified as held for sale at 30 June 2023 was transferred back to property, plant and equipment during the 2024 financial year after it was determined that this asset will not be sold in the foreseeable future. During the current year a buyer committed to the purchasing of the lucerne press whereafter it was transferred to assets held for sale and was sold during the year.

The production and ancillary assets of these operations were sold by 30 June 2025.

The year-end balance of assets held for sale relates to the Kimberley property which has been sold to an independent external party, subject to suspensive conditions. The fair value represents open market value.

	Group		Company	
	2025 R'000	2024 R'000	2025 R'000	2024 R'000
16 Share Capital				
Authorised				
200 000 000 (2024: 200 000 000) Ordinary shares with no par value				
Issued				
87 913 125 (2024: 88 407 075) Ordinary shares with no par value	4 396	4 420	4 396	4 420
	Group		Company	
	2025 Number	2024 Number	2025 Number	2024 Number
Reconciliation of number of shares in issue				
Balance at the beginning of the year	88 407 075	88 407 075	88 407 075	88 407 075
Share buy-back	(493 950)	-	(493 950)	-
Balance at the end of the year	87 913 125	88 407 075	87 913 125	88 407 075
Treasury shares				
Treasury shares have arisen through the BKB Personeel Aandele Trust. Details of the Trust's shareholding is as follows:				
			2025 Number	2024 Number
Reconciliation of number of shares				
Balance at the beginning of the year			10 225 376	10 256 980
Acquired by the Trust			399 165	25 858
Disposed of by the Trust			(1 135 694)	(57 462)
Balance at the end of the year			9 488 847	10 225 376

BKB LIMITED AND ITS SUBSIDIARIES
(Registration number 1998/012435/06)
Annual Financial Statements for the year ended 30 June 2025

NOTES TO THE FINANCIAL STATEMENTS

17 Share based payments

The BKB Limited Bonus and Performance Share Entitlement Plan

The BKB Limited Bonus and Performance Share Entitlement Plan was approved by the board of directors on 1 April 2021. Participation in the plan is at the board's discretion and no individual has a contractual right to participate in the plan or to receive any guaranteed benefits.

The plan is designed to provide long-term incentives for senior managers and executives to deliver long term sustainable returns acceptable to shareholders. Under the plan, annual conditional awards of Performance shares and Bonus shares will be allocated to eligible employees of the Group. Annual allocations of these awards are governed by BKB Limited's remuneration policies.

i. Performance shares

Annual conditional awards of performance shares will be made to participants at a zero strike price. Performance shares will vest after the fourth anniversary for their award to the extent that specified performance criteria over the intervening period (assessment period) have been met. In respect of performance shares, the date upon which such shares shall vest shall be the date immediately following the approval by the Board of Directors of the relevant BKB Group Annual Financial Statements for the last financial year of the applicable assessment period.

The board of directors will, prior to the commencement of each assessment period, set target ranges for performance criteria comprising minimum and maximum thresholds to be attained.

The performance conditions applied to the performance shares awarded in 2021 are as follows:

- 60% weighting: Return on Funds Employed (ROFE) outperforming BKB Limited's Weighted Average Cost of Capital (WACC)
- 40% weighting: Net Debt divided by Earnings Before Interest, Tax, Depreciation and Amortisation (Net Debt ratio) outperforming a benchmark of peer group companies

The performance conditions applied to the performance shares awarded from 2022 to 2024, are as follows:

- 50% weighting: Return on Funds Employed (ROFE) outperforming BKB Limited's Weighted Average Cost of Capital (WACC)
- 25% weighting: Net Debt divided by Earnings Before Interest, Tax, Depreciation and Amortisation (Net Debt ratio) outperforming a benchmark of peer group companies
- 25% weighting: Growth in Normalised earnings per share outperforming Consumer Price Index

The performance conditions applied to the performance shares awarded from 2025 onwards, are as follows:

- 50% weighting: Return on Funds Employed (ROFE) outperforming BKB Limited's Weighted Average Cost of Capital (WACC)
- 20% weighting: Net Debt divided by Earnings Before Interest, Tax, Depreciation and Amortisation (Net Debt ratio) outperforming a benchmark of peer group companies
- 30% weighting: Growth in Normalised earnings per share outperforming Consumer Price Index

If an eligible employee ceases to be employed by the Group by reason of a "no fault termination" prior to vesting of performance shares, the number of performance shares available to vest, together with the settlement date, shall be determined by BKB Limited in consultation with the eligible employee and in terms of the share plan. (Ultimately at BKB Limited's discretion).

BKB LIMITED AND ITS SUBSIDIARIES
(Registration number 1998/012435/06)
Annual Financial Statements for the year ended 30 June 2025

NOTES TO THE FINANCIAL STATEMENTS

17 Share based payments (continued)

i. Performance shares (continued)

	Group		Company	
	2025 Number	2024 Number	2025 Number	2024 Number
Movements in number of shares awarded				
Balance at the beginning of the year	761 417	292 624	761 417	292 624
Granted	618 462	468 793	618 462	468 793
Granted in relation to year ending 30 June 2024	2 932	-	2 932	-
Vested during the year	(225 189)	-	(225 189)	-
Balance at the end of the year	1 157 622	761 417	1 157 622	761 417

Share awards outstanding that are expected to vest in respect of the following years, conditional on continued employment and the achievement of specified performance targets:

	Group		Company	
	2025	2024	2025	2024
Year ending 30 June 2024	-	222 257	-	222 257
Year ending 30 June 2025	229 676	170 657	229 676	170 657
Year ending 30 June 2026	222 842	144 268	222 842	144 268
Year ending 30 June 2027	448 469	224 235	448 469	224 235
Year ending 30 June 2028	256 635	-	256 635	-
	1 157 622	761 417	1 157 622	761 417

	Group		Company	
	2025 R	2024 R	2025 R	2024 R

IFRS 2 share based payment charge

4 903 486	3 795 341	4 019 968	3 012 617
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ii. Bonus shares

Special allocations of bonus shares awarded vest after three years conditional on continued employment. Bonus shares are granted at a zero strike price. In respect of bonus shares, the date upon which such shares shall vest shall be a date 36 months after expiry of the applicable assessment period and which coincides with the date of vesting of the Performance Shares above.

If an eligible employee ceases to be employed by the Group by reason of a "no fault termination" prior to vesting of bonus shares, the bonus shares available to vest shall be deemed to have vested and settled to the employee in terms of the share plan with effect from the date of termination of employment.

	Group		Company	
	2025 Number	2024 Number	2025 Number	2024 Number
Movements in number of shares awarded				
Balance at the beginning of the year	1 545 309	955 472	1 545 309	955 472
Granted	636 327	647 299	636 327	647 299
Granted in relation to year ending 30 June 2024	76 311	-	76 311	-
Vested during the year	(910 505)	(57 462)	(910 505)	(57 462)
Balance at the end of the year	1 347 442	1 545 309	1 347 442	1 545 309

Share awards outstanding that are expected to vest in respect of the following years, conditional on continued employment:

	Group		Company	
	2025	2024	2025	2024
Year ending 30 June 2024	-	834 194	-	834 194
Year ending 30 June 2025	513 702	385 276	513 702	385 276
Year ending 30 June 2026	143 928	95 952	143 928	95 952
Year ending 30 June 2027	459 773	229 887	459 773	229 887
Year ending 30 June 2028	230 039	-	230 039	-
	1 347 442	1 545 309	1 347 442	1 545 309

	Group		Company	
	2025 R	2024 R	2025 R	2024 R

IFRS 2 share based payment charge

7 506 177	6 320 603	5 275 027	4 609 300
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iii. Valuation of share incentive grants

The fair value of the shares granted in terms of the share plan is independently determined by an actuary of Financial Modelling Agency using an adjusted form of the Black-Scholes model which includes a Monte Carlo simulation model.

BKB LIMITED AND ITS SUBSIDIARIES
(Registration number 1998/012435/06)
Annual Financial Statements for the year ended 30 June 2025

NOTES TO THE FINANCIAL STATEMENTS

17 Share based payments (continued)

iii. Valuation of share incentive grants (continued)

	Performance shares		Bonus shares	
	2025	2024	2025	2024
Spot price per share at grant date (cents)	526	570	510	526
Discounted cash flow (DCF) valuation per share (cents)	954	891	1 078	1 083
Risk free rate (%)	8.0%	8.4%	7.0%	7.8%
Dividend yield (%)	3.8%	3.5%	4.7%	3.3%
Option life (years)	4	4	4	4
Forfeiture rate (%)	8.3%	9.1%	8.3%	9.1%
Volatility (%)	29.9%	34.7%	24.2%	29.5%
Fair value per share at grant date (cents)	820	773	1 078	1 083

The volatility input to the pricing model is a measure of the expected price fluctuations of the BKB share price over the life of the option structure. Volatility is measured as the annualised standard deviation of historical daily price changes of selected surrogates.

	Group		Company	
	2025 R'000	2024 R'000	2025 R'000	2024 R'000

18 Borrowings

Held at amortised cost

Secured

ABSA Bank Limited: Borrowing base loan facility

The Group's borrowing facilities are structured through a Security Special Purpose Vehicle Guarantor structure (SPV). These facilities are currently being provided in equal proportions by ABSA Bank Limited and First National Bank Limited to the borrower, BKB Limited (BKB). Bears interest at a rate linked to prime and is renewed annually.

208 809	183 732	208 809	183 732
208 809	183 732	208 809	183 732
64 378	72 268	64 378	72 268
64 377	72 267	64 377	72 267
7 250	11 608	-	-
-	4 033	-	-
553 623	527 640	546 373	511 999

First National Bank Limited: Borrowing base loan facility

The Group's borrowing facilities are structured through a Security Special Purpose Vehicle Guarantor structure (SPV). These facilities are currently being provided in equal proportions by ABSA Bank Limited and First National Bank Limited to the borrower, BKB Limited (BKB). Bears interest at a rate linked to prime and is renewed annually.

ABSA Bank Limited: Term loan

The SPV includes a term loan which is repayable in monthly instalments of R1 296 308 (2024: R1 296 308). The loan has a residual value of R54 000 000 and is repayable on 10 November 2026. These facilities are currently being provided in equal proportions by ABSA Bank Limited and First National Bank Limited to the borrower, BKB Limited (BKB). Bears interest at a rate linked to prime.

First National Bank Limited: Term loan

The SPV includes a term loan which is repayable in monthly instalments of R1 296 308 (2024: R1 296 308). The loan has a residual value of R54 000 000 and is repayable on 10 November 2026. These facilities are currently being provided in equal proportions by ABSA Bank Limited and First National Bank Limited to the borrower, BKB Limited (BKB). Bears interest at a rate linked to prime.

Standard Bank Limited: Term loan

The term loan relates to Hoëveld Veilingsentrum (Pty) Ltd. It is repayable in monthly instalments of R367 360 (2024: R367 360) and is repayable in 49 months. It bears interest at a rate linked to prime. The final payment date is 1 February 2027.

Instalment sale agreements



BKB LIMITED AND ITS SUBSIDIARIES
(Registration number 1998/012435/06)
Annual Financial Statements for the year ended 30 June 2025

NOTES TO THE FINANCIAL STATEMENTS

	Group		Company	
	2025 R'000	2024 R'000	2025 R'000	2024 R'000
18 Borrowings (continued)				
Non-current liabilities	113 298	138 498	110 418	129 497
Current liabilities	440 325	389 142	435 955	382 502
	553 623	527 640	546 373	511 999

The SPV facilities are secured by a guarantee issued by the Security SPV Guarantor (K2020830595 RF Pty Ltd). BKB and its Guarantors (The Obligors) indemnifies the security SPV against all claims in terms of the SPV Guarantee.

As security for the Obligors performing their indemnity obligation to the Security SPV, certain assets are bonded as security to the Security SPV:

Notarial covering bonds over movable assets (including inventory) of BKB Limited, BKB Pinnacle Fibres (Pty) Ltd, Grainco (Pty) Ltd and PaKHouse Foods (Pty) Ltd (previously Desert Raisins (Pty) Ltd). Refer to Note 12.

Continuous covering mortgage bonds over properties in BKB Limited. Refer to Note 2.

Cession of trade and other receivables of BKB Limited, Grainco (Pty) Ltd, PaKHouse Foods (Pty) Ltd, BKB Pinnacle Fibres (Pty) Ltd, The House of Fibre (Pty) Ltd, BKBLouwid (Pty) Ltd, BKB Van Wyk (Pty) Ltd, BKB Distribution Centre (Pty) Ltd and Farmervet (Pty) Ltd. Refer to Note 10.

The Obligors signed unlimited surety as guarantee for the SPV facilities. The Obligors are BKB Limited, BKB Pinnacle Fibres (Pty) Ltd, The House of Fibre (Pty) Ltd, BKBLouwid (Pty) Ltd, BKB Van Wyk (Pty) Ltd, BKB Distribution Centre (Pty) Ltd, Farmervet (Pty) Ltd, BKB Fuels (Pty) Ltd, PaKHouse Brands (Pty) Ltd, Grainco (Pty) Ltd, Pakhouse Fruits Holdings (Pty) Ltd, PaKHouse Foods (Pty) Ltd, Atlanta Investments (Pty) Ltd, Atlanta Products (Pty) Ltd and Oceanic Swaziland (Pty) Ltd.

Instalment sale agreements

During the prior year instalment sale agreements were payable over periods from three to four years at prime linked interest rates repayable in monthly instalments of between R10 302 and R199 209. The agreements were settled during the current year.

	Group		Company	
	2025 R'000	2024 R'000	2025 R'000	2024 R'000
Minimum instalments due				
- within one year	-	2 991	-	-
- in second to fifth year inclusive	-	1 980	-	-
	-	4 971	-	-
Less: future finance charges	-	(938)	-	-
Present value of instalments	-	4 033	-	-
Present value of minimum instalments				
- within one year	-	2 270	-	-
- in second to fifth year inclusive	-	1 763	-	-
	-	4 033	-	-
Instalment sale security				
Motor vehicles	-	2 872	-	-
Plant and machinery	-	4 573	-	-
	-	7 445	-	-

Refer to Note 35 'Changes in liabilities arising from financing activities' for details of the movement in the borrowings during the reporting period and Note 41 'Financial instruments and financial risk management' for the fair value of borrowings.

BKB LIMITED AND ITS SUBSIDIARIES
(Registration number 1998/012435/06)
Annual Financial Statements for the year ended 30 June 2025

NOTES TO THE FINANCIAL STATEMENTS

	Group		Company	
	2025 R'000	2024 R'000	2025 R'000	2024 R'000
19 Provisions				
Long term provisions				
Provision for service bonus				
Balance at the beginning of the year	9 291	8 677	9 255	8 642
Additions/(Reductions)	229	1 233	(257)	1 232
Utilised during the year	(49)	(619)	(49)	(619)
Balance at the end of the year	9 471	9 291	8 949	9 255

Certain employees are entitled to long service bonuses upon retirement as per their employment contract. Provision is made for this eventuality.

20 Trade and other payables

Financial Instruments:

Trade creditors	680 538	612 784	282 274	264 950
Other accrued expenses	30 154	19 589	9 591	8 361
Other payables	5 025	8 094	4 587	7 030

Non-financial Instruments:

Accrued bonus	21 791	28 847	15 787	20 875
Accrued leave pay	28 550	28 303	22 423	22 609
Amounts received in advance	1 994	3 524	-	-
VAT	7 471	10 123	-	-
	775 523	711 264	334 662	323 825

Refer to Note 41.3 for Financial risk management on foreign currency risk.

21 Loans from group companies

The House of Fibre (Pty) Ltd	-	-	10 031	4 608
Lihoai Consultancy (Pty) Ltd	-	-	2 635	3 690
Home and Hectare (Pty) Ltd	-	-	11 571	8 201
BKB Van Wyk (Pty) Ltd	-	-	5	5
Wool & Mohair Exchange of South Africa NPC	-	-	3 048	-
PaKHouse Brands (Pty) Ltd	-	-	-	878
Grainco (Pty) Ltd	-	-	-	37 144
PaKHouse Foods (Pty) Ltd (previously Desert Raisins (Pty) Ltd)	-	-	64 008	-
	-	-	91 298	54 526

Loans from subsidiaries are payable on demand and interest is charged at a prime related interest rate.

22 Contingent liabilities and guarantees

No contingent liabilities exist at year end.
As at 30 June 2025, a guarantee of R750 000 (2024: R750 000) was held at First National Bank Limited in favour of SARS for Atlanta Sugar SA (Pty) Ltd.
As at 30 June 2025, a guarantee of R61 million (2024: R61 million) was held by BKB Limited for Pakhouse Foods (Pty) Ltd FEC facility at ABSA Bank Limited.
As at 30 June 2025, a guarantee of R25 million (2024: R25 million) was held by BKB Limited for BKB Pinnacle (Pty) Ltd FEC facility at ABSA Bank Limited.

	Group		Company	
	2025 R'000	2024 R'000	2025 R'000	2024 R'000
23 Commitments				
Already contracted	19 931	2 206	2 641	1 502
Authorised but not yet contracted	9 886	6 108	9 828	5 575
	29 817	8 314	12 469	7 077

BKB LIMITED AND ITS SUBSIDIARIES
(Registration number 1998/012435/06)
Annual Financial Statements for the year ended 30 June 2025

NOTES TO THE FINANCIAL STATEMENTS

24 Revenue

Revenue	Revenue from contracts with customers			Other revenue		Total
Timing of revenue recognition	At a point in time		Over time			
Principal vs agent	Principal	Agent	Principal			
	Sale of goods	Commission received	Rendering of services	Rental income	Interest received	
	R'000	R'000	R'000	R'000	R'000	R'000
Group - 2025						
Natural fibre	1 645 728	116 705	100 484	-	12 579	1 875 496
Retail and fuel	2 397 840	-	9 618	1 718	24 592	2 433 768
Livestock and properties	-	234 931	-	2 809	22 190	259 930
Leasing of properties	-	-	-	2 832	-	2 832
Grains	830 494	280	60 954	3 300	296	895 324
Consumer goods	1 295 757	-	2 305	2 842	-	1 300 904
All other segments	-	-	2 589	-	2 680	5 269
	6 169 819	351 916	175 950	13 501	62 337	6 773 523
Group - 2024						
Natural fibre	1 554 320	121 100	94 487	-	12 674	1 782 581
Retail and fuel	2 438 442	-	10 374	1 916	24 044	2 474 776
Livestock and properties	-	214 323	-	3 068	29 614	247 005
Leasing of properties	-	-	-	2 862	-	2 862
Grains	760 286	962	68 426	10	1 143	830 827
Consumer goods	1 202 329	-	16 808	-	-	1 219 137
All other segments	-	-	2 278	-	2 336	4 614
	5 955 377	336 385	192 373	7 856	69 811	6 561 802
Company - 2025						
Natural fibre	350 042	97 409	100 605	-	12 273	560 329
Retail and fuel	2 365 416	-	9 615	1 718	24 076	2 400 825
Livestock and properties	-	203 054	-	31	22 190	225 275
Leasing of properties	-	-	-	1 176	-	1 176
All other segments	-	-	-	-	2 680	2 680
	2 715 458	300 463	110 220	2 925	61 219	3 190 285
Company - 2024						
Natural fibre	397 132	101 582	94 924	-	12 443	606 081
Retail and fuel	2 403 998	-	10 361	1 916	23 257	2 439 532
Livestock and properties	-	191 197	-	34	29 614	220 845
Leasing of properties	-	-	-	1 672	-	1 672
All other segments	-	-	-	-	2 336	2 336
	2 801 130	292 779	105 285	3 622	67 650	3 270 466

BKB LIMITED AND ITS SUBSIDIARIES
(Registration number 1998/012435/06)
Annual Financial Statements for the year ended 30 June 2025

NOTES TO THE FINANCIAL STATEMENTS

25 Cost of sales

	Cost of goods sold	Labour and other employee benefit costs	Depreciation and amortisation	Total
	R'000	R'000	R'000	R'000
Group - 2025				
Natural fibre	1 506 356	-	-	1 506 356
Retail and fuel	2 140 816	-	-	2 140 816
Grains	682 765	13 385	13 518	709 668
Consumer goods	1 175 714	-	1 128	1 176 842
	5 505 651	13 385	14 646	5 533 682
Group - 2024				
Natural fibre	1 389 836	-	-	1 389 836
Retail and fuel	2 180 845	-	-	2 180 845
Grains	605 171	11 247	16 975	633 393
Consumer goods	1 089 609	-	1 343	1 090 952
	5 265 461	11 247	18 318	5 295 026
Company - 2025				
Natural fibre	288 071	-	-	288 071
Retail and fuel	2 119 752	-	-	2 119 752
	2 407 823	-	-	2 407 823
Company - 2024				
Natural fibre	331 935	-	-	331 935
Retail and fuel	2 160 076	-	-	2 160 076
	2 492 011	-	-	2 492 011
	Group		Company	
	2025	2024	2025	2024
	R'000	R'000	R'000	R'000
Management fees from subsidiary companies	-	-	626	479
Profit on sale of own use property	109	326	109	326
Profit on sale of investment property	1 070	-	1 070	-
Profit on sale of plant and equipment	312	834	272	834
Profit on sale of subsidiary	-	496	-	-
Bad debts recovered	202	1 843	202	1 839
Fair value gains on investment property	4 300	-	-	-
Cash discounts received	9 608	9 648	8 748	8 855
Foreign exchange gains - hedge related	4 786	3 302	-	-
Foreign exchange gains - non-hedge related	-	334	-	2
Gain on modification of lease liability	669	430	410	407
Insurance recoveries	7 526	7 289	6 362	5 964
Unclaimed payables	5 429	12 125	5 201	12 125
Tax incentives	714	807	626	685
Other	7 009	11 649	6 351	9 219
	41 734	49 083	29 977	40 735

26 Other operating income

BKB LIMITED AND ITS SUBSIDIARIES
(Registration number 1998/012435/06)
Annual Financial Statements for the year ended 30 June 2025

NOTES TO THE FINANCIAL STATEMENTS

27 Operating profit

Operating profit for the year is stated after charging/(crediting) the following, amongst others:

	2025			2024		
	Operational expenses	Admin expenses	Total	Operational expenses	Admin expenses	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Auditor's remuneration - external						
Group						
Approved audit fees	-	5 610	5 610	-	5 302	5 302
Adjustment for previous year	-	(49)	(49)	-	199	199
Tax and advisory services	-	840	840	-	918	918
	-	6 401	6 401	-	6 419	6 419
Company						
Approved audit fees	-	3 223	3 223	-	3 039	3 039
Adjustment for previous year	-	114	114	-	141	141
Tax and advisory services	-	487	487	-	413	413
	-	3 824	3 824	-	3 593	3 593
Employee costs						
Group						
Salaries, wages, bonuses and other benefits	382 383	63 474	445 857	374 435	57 285	431 720
Share-based payment	6 057	6 352	12 409	4 664	5 452	10 116
Commission agents paid	56 802	-	56 802	45 954	-	45 954
Training and other expenses	11 278	2 433	13 711	12 269	2 353	14 622
Provision for service bonus	188	41	229	820	413	1 233
Retirement benefit plans: defined contribution expense	5 228	44	5 272	4 791	51	4 842
	461 936	72 344	534 280	442 933	65 554	508 487
Company						
Salaries, wages, bonuses and other benefits	291 756	63 474	355 230	287 306	57 285	344 591
Share-based payment	2 943	6 352	9 295	2 170	5 452	7 622
Commission agents paid	36 034	-	36 034	31 605	-	31 605
Training and other expenses	8 643	2 433	11 076	9 976	2 353	12 329
Provision for service bonus	(298)	41	(257)	819	413	1 232
Retirement benefit plans: defined contribution expense	3 869	44	3 913	3 479	51	3 530
	342 947	72 344	415 291	335 355	65 554	400 909

BKB LIMITED AND ITS SUBSIDIARIES
(Registration number 1998/012435/06)
Annual Financial Statements for the year ended 30 June 2025

NOTES TO THE FINANCIAL STATEMENTS

27 Operating profit (continued)

Expenses by nature

The total operational and administrative expenses are analysed by nature as follows:

	2025			2024		
	Operational expenses	Admin expenses	Total	Operational expenses	Admin expenses	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Group						
Advertising expense	26 800	-	26 800	30 134	-	30 134
Audit fees	-	5 561	5 561	-	5 501	5 501
Bank charges	-	17 389	17 389	-	18 764	18 764
Commission paid	14 039	-	14 039	13 055	-	13 055
Computer expenses	-	35 602	35 602	-	33 188	33 188
Depreciation	39 834	1 307	41 141	38 830	1 340	40 170
Amortisation	5 787	818	6 605	5 916	755	6 671
Employee costs	461 936	72 344	534 280	442 933	65 554	508 487
Impairment of own use property	-	-	-	1 764	-	1 764
Foreign exchange losses - hedge related	57	-	57	104	-	104
Foreign exchange losses - non-hedge related	394	-	394	-	-	-
Impairment of intangible assets	750	1 024	1 774	103	120	223
Impairment of property, plant and equipment	3 457	-	3 457	642	-	642
Insurance cost	14 831	367	15 198	13 259	298	13 557
Lease charges	9 017	1 882	10 899	7 783	1 795	9 578
Legal expenses	-	2 401	2 401	-	1 320	1 320
Loss on modification of lease liability	155	-	155	-	-	-
Loss on sale of plant and equipment	9 776	-	9 776	2 787	-	2 787
Loss on sale of property	-	-	-	588	-	588
Losses on products	3 720	-	3 720	4 235	-	4 235
Non-executive directors' fees	-	4 087	4 087	-	3 752	3 752
Pressing and storage costs	19 111	-	19 111	16 805	-	16 805
Professional consulting fees	17 911	-	17 911	13 906	-	13 906
Property tax	6 399	-	6 399	6 069	-	6 069
Repairs and maintenance	27 033	45	27 078	29 228	61	29 289
Security	-	11 107	11 107	-	9 747	9 747
Subsistence and travel	13 792	-	13 792	13 665	-	13 665
Telephone and postage	-	8 109	8 109	-	8 213	8 213
Transport	70 306	-	70 306	72 051	-	72 051
Vehicle costs	47 829	-	47 829	49 342	-	49 342
Water and electricity	11 279	38	11 317	11 658	30	11 688
Other	12 224	21 458	33 682	13 227	20 461	33 688
	816 437	183 539	999 976	788 084	170 899	958 983
Impairment of financial assets						
Bad debts written off			15 577			11 851
(Impairment reversal)/impairment of trade and other receivables-specific			(741)			21 202
Impairment reversal of trade and other receivables-portfolio			(300)			(3 419)
			14 536			29 634
Loss from equity accounted investments			301			275

BKB LIMITED AND ITS SUBSIDIARIES
(Registration number 1998/012435/06)
Annual Financial Statements for the year ended 30 June 2025

NOTES TO THE FINANCIAL STATEMENTS

27 Operating profit (continued)

Expenses by nature (continued)						
Company	2025			2024		
	Operational expenses R'000	Admin expenses R'000	Total R'000	Operational expenses R'000	Admin expenses R'000	Total R'000
Advertising expense	15 569	-	15 569	17 997	-	17 997
Audit fees	-	3 337	3 337	-	3 180	3 180
Bank charges	-	13 255	13 255	-	12 859	12 859
Commission paid	4 000	-	4 000	3 760	-	3 760
Computer expenses	-	30 403	30 403	-	29 091	29 091
Depreciation	30 461	1 307	31 768	29 848	1 340	31 188
Amortisation	4 948	818	5 766	5 275	755	6 030
Employee costs	342 947	72 344	415 291	335 355	65 554	400 909
Foreign exchange losses - hedge related	57	-	57	104	-	104
Impairment of intangible assets	750	-	750	-	120	120
Investment write off	-	1 381	1 381	-	-	-
Insurance cost	7 298	367	7 665	6 645	298	6 943
Insurance cost net of recoveries	-	-	-	-	-	-
Lease charges	6 927	1 882	8 809	8 220	1 795	10 015
Legal expenses	-	1 903	1 903	-	803	803
Loss on modification of lease liability	155	-	155	-	-	-
Loss on sale of property	-	-	-	588	-	588
Losses on products	1 635	-	1 635	2 566	-	2 566
Management fees	2 139	202	2 341	220	-	220
Non-executive directors' fees	-	4 087	4 087	-	3 752	3 752
Pressing and storage costs	14 034	-	14 034	13 243	-	13 243
Professional consulting fees	21 750	-	21 750	21 760	-	21 760
Property tax	5 808	-	5 808	5 573	-	5 573
Repairs and maintenance	14 503	45	14 548	15 148	61	15 209
Security	-	6 260	6 260	-	6 065	6 065
Subsistence and travel	9 252	-	9 252	9 928	-	9 928
Telephone and postage	-	6 039	6 039	-	6 489	6 489
Transport	4 791	-	4 791	5 616	-	5 616
Vehicle costs	44 057	-	44 057	45 431	-	45 431
Water and electricity	8 679	38	8 717	9 618	30	9 648
Other	11 003	16 872	27 875	11 350	17 367	28 717
	550 763	160 540	711 303	548 245	149 559	697 804
Impairment of financial assets						
Bad debts written off			13 810			9 439
Impairment of trade and other receivables-specific			1 242			24 637
Impairment reversal of trade and other receivables-portfolio			(533)			(2 656)
Impairment reversal of loans to group companies			(2 620)			(6 885)
			11 899			24 535

BKB LIMITED AND ITS SUBSIDIARIES
(Registration number 1998/012435/06)
Annual Financial Statements for the year ended 30 June 2025

NOTES TO THE FINANCIAL STATEMENTS

	Group		Company	
	2025 R'000	2024 R'000	2025 R'000	2024 R'000
28 Finance income				
Bank and other cash	3 679	4 287	2 529	2 753
Other financial assets	1 797	3 693	1 174	788
Subsidiaries	-	-	38 595	60 709
	5 476	7 980	42 298	64 250
29 Finance costs				
Interest paid borrowings	72 921	69 251	69 341	91 289
Interest paid leases	6 925	7 270	3 742	3 927
Subsidiaries	-	-	3 847	1 884
Other finance costs	6 617	13 141	-	-
	86 463	89 662	76 930	97 100
30 Taxation				
Current				
Local income tax - current period	33 072	42 930	15 893	22 167
Local income tax - recognised in current tax for prior periods	(1 501)	114	(1 501)	-
Withholding tax	1 563	6 284	588	663
	33 134	49 328	14 980	22 830
Deferred				
Originating and reversing temporary differences	20 747	25 716	1 660	(3 225)
Arising from prior period adjustments	16	-	15	-
	20 763	25 716	1 675	(3 225)
	53 897	75 044	16 655	19 605
Reconciliation of the tax expense				
Accounting profit	185 775	245 285	80 126	71 937
Tax at the applicable tax rate of 27% (2024: 27%)	50 159	66 227	21 634	19 423
Tax effect of adjustments on taxable income				
Over provision - prior year	(1 501)	114	(1 501)	-
Deferred taxation - prior year	16	-	15	-
Exempt income - dividends received from subsidiaries	-	-	(6 891)	(2 143)
Exempt income - other	(470)	(711)	(496)	(194)
Share based payment expense not deductible for tax purposes	3 350	2 731	2 510	2 058
Non deductible expenses - other	1 164	1 415	1 291	687
Withholding tax	1 563	6 284	588	663
Special income tax allowances	(831)	(754)	(831)	(727)
Capital gains tax rate differential	412	(277)	336	(162)
Income taxed at different rate	(273)	(399)	-	-
Deferred tax asset not raised	308	67	-	-
Deferred tax: change in corporate tax rate	-	347	-	-
	53 897	75 044	16 655	19 605
Discontinued operations				
Loss from discontinued operations	-	(30 506)	-	-
Estimated tax losses carried forward				
Estimated tax losses to be set off against future taxable profit	175 387	247 558	-	-

BKB LIMITED AND ITS SUBSIDIARIES
(Registration number 1998/012435/06)
Annual Financial Statements for the year ended 30 June 2025

NOTES TO THE FINANCIAL STATEMENTS

31 Discontinued operations

The Group has successfully exited both the AlphaAlfa and Desert Raisins businesses during the prior year. The impact of the closures was not material on the reported results for the current year and are not presented separately. The Kimberley property of AlphaAlfa has been sold subject to suspensive conditions and is presented in assets held for sale. The Bloemsmond property of Desert Raisins is leased and presented in investment property.

The financial performance of these discontinued operations was as follows:

Summarised statements of profit or loss

	Desert Raisins R'000	AlphaAlfa R'000	Total R'000
Group - 2025			
Total comprehensive loss for the year	-	-	-
Group - 2024			
Revenue	206 632	101 572	308 204
Interest revenue	-	238	238
Total revenue	206 632	101 810	308 442
Cost of sales	(224 156)	(111 387)	(335 543)
Gross loss	(17 524)	(9 577)	(27 101)
Other operating income	6 375	(551)	5 824
Operational expenses	(34 540)	(17 565)	(52 105)
Administrative expenses	(2 617)	(1 508)	(4 125)
Impairment of financial assets	-	307	307
Operating loss	(48 306)	(28 894)	(77 200)
Finance income	171	57	228
Finance costs	(30 330)	(6 171)	(36 501)
Loss before taxation	(78 465)	(35 008)	(113 473)
Income tax credit	20 709	9 797	30 506
Loss for the year	(57 756)	(25 211)	(82 967)

Other comprehensive loss:

Items that will be reclassified to profit or loss:

Movement in cash flow hedge reserve	18 943	8 861	27 804
Fair value adjustments to cash flow hedge reserve	11 220	10 651	21 871
Reclassification to revenue	17 224	20	17 244
Reclassification to profit or loss	(2 495)	1 467	(1 028)
Income tax relating to items that may be reclassified	(7 006)	(3 277)	(10 283)
Total comprehensive loss for the year	(38 813)	(16 350)	(55 163)

Summarised statement of cash flow

	Group 2025 R'000	2024 R'000
Net cash from operating activities	-	143 124
Net cash from investing activities	-	17 006
Net cash from financing activities	-	(160 246)
Net cash movement for the year	-	(116)

BKB LIMITED AND ITS SUBSIDIARIES
(Registration number 1998/012435/06)
Annual Financial Statements for the year ended 30 June 2025

NOTES TO THE FINANCIAL STATEMENTS

32 Earnings per share

32.1 Number of shares and weighted average number of shares

	Group 2025 Number	2024 Number
Number of shares in issue	87 913 125	88 407 075
Weighted average number of treasury shares	(9 648 496)	(10 246 503)
Weighted average number of ordinary shares used for basic earnings per share	78 264 629	78 160 572
Adjusted for:		
Performance shares to be issued	1 157 622	761 417
Bonus shares to be issued	1 347 442	1 545 309
Weighted average number of ordinary shares used for diluted earnings per share	80 769 693	80 467 298

32.2 Basic earnings

Reconciliation of profit for the year to basic earnings

	Group 2025 R'000	2024 R'000
Profit from continuing operations	131 878	170 241
Adjusted for:		
Non-controlling interest	(780)	(843)
Profit from continuing operations attributable to equity holders of the parent	131 098	169 398
Loss from discontinued operations	-	(82 967)
Profit for the year attributable to equity holders of the parent	131 098	86 431

32.3 Basic earnings per share

The calculation of basic earnings per share is based on earnings attributable to ordinary shareholders, divided by the weighted average number of ordinary shares in issue during the year.

	Group 2025	2024
Basic earnings per share		
Basic earnings per share from continuing operations (c per share)	167.5	216.7
Basic earnings per share from discontinued operations (c per share)	-	(106.1)
Basic earnings per share (c per share)	167.5	110.6

32.4 Diluted earnings per share

The calculation of diluted earnings per share is based on the earnings attributable to ordinary shareholders, divided by the weighted average number of ordinary shares in issue during the year, plus the weighted average number of dilutive potential shares resulting from share options.

	Group 2025	2024
Diluted earnings per share		
Diluted earnings per share from continuing operations (c per share)	162.3	210.5
Diluted earnings per share from discontinued operations (c per share)	-	(103.1)
Diluted earnings per share (c per share)	162.3	107.4

BKB LIMITED AND ITS SUBSIDIARIES
(Registration number 1998/012435/06)
Annual Financial Statements for the year ended 30 June 2025

NOTES TO THE FINANCIAL STATEMENTS

32 Earnings per share (continued)

32.5 Headline earnings

Headline earnings and diluted headline earnings are determined by adjusting basic earnings and diluted earnings by excluding separately identifiable re-measurement items. Headline earnings and diluted headline earnings are presented after tax and non-controlling interest.

	Group			
	2025		2024	
	Gross R'000	Net of tax R'000	Gross R'000	Net of tax R'000
Headline earnings/(loss)				
Reconciliation between earnings and headline earnings				
Profit from continuing operations attributable to equity holders of the parent		131 098		169 398
Adjusted for:				
Net loss on sale of property, plant and equipment (including held for sale assets)	9 355	6 829	2 215	1 617
Loss on equity accounted investments	-	-	275	201
Fair value gains on investment property	(4 300)	(3 139)	-	-
Impairment of own use property	-	-	1 764	1 288
Impairment of intangible assets	1 774	-	223	191
Impairment of property, plant and equipment (including held for sale assets)	3 457	2 524	642	469
Gain on the sale of subsidiary	-	-	496	496
Gain on disposal of investment property	(1 070)	(688)	-	-
		136 624		173 660
Reconciliation between earnings and headline earnings				
Loss from discontinued operations		-		(82 967)
Adjusted for:				
Net loss on sale of property, plant and equipment	-	-	43	31
Impairment of property, plant and equipment	-	-	1 462	1 067
		-		(81 869)
Adjusted profit for the year attributable to equity holders of the parent		136 624		91 791

32.6 Headline earnings per share

Headline earnings per share is determined by dividing headline earnings by the weighted average number of ordinary share outstanding during a period.

	Group	
	2025	2024
Headline earnings per share		
Headline earnings per share from continuing operations (c per share)	174.6	222.2
Headline loss per share from discontinued operations (c per share)	-	(104.7)
Headline earnings per share (c per share)	174.6	117.5

32.7 Diluted headline earnings per share

Diluted headline earnings per share is determined by dividing headline earnings by the diluted weighted average number of ordinary share outstanding during a period.

	Group	
	2025	2024
Diluted headline earnings per share		
Diluted headline earnings per share from continuing operations (c per share)	169.2	215.8
Diluted headline loss per share from discontinued operations (c per share)	-	(101.7)
Diluted headline earnings per share (c per share)	169.2	114.1

32.8 Dividends per share

Final (c per share)	33.0	-
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Dividends amounting to R29,2 million (2024: Rnil) were paid to shareholders of the Company. Proposed dividends after the reporting period amount to R43,7 million (Proposed dividends per share of 50 cents).

BKB LIMITED AND ITS SUBSIDIARIES
(Registration number 1998/012435/06)
Annual Financial Statements for the year ended 30 June 2025

NOTES TO THE FINANCIAL STATEMENTS

	Group		Company	
	2025 R'000	2024 R'000	2025 R'000	2024 R'000
33 Cash generated from operations				
Profit before taxation	185 775	245 285	80 126	71 937
Adjustments for:				
Bad debts written off	15 577	11 851	13 810	9 439
Depreciation and amortisation	62 392	65 159	37 534	37 218
Dividend income	-	-	(25 521)	(7 936)
Finance income	(5 476)	(7 980)	(42 298)	(64 250)
Finance costs	86 463	89 662	76 930	97 100
Share based payment expense	10 348	10 116	7 511	7 622
Fair value gains on investment property	(4 300)	-	-	-
Gain on bargain purchase	(20)	-	-	-
Impairment of own use property	-	1 764	-	-
Loss from equity accounted investments	301	275	-	-
Impairment of intangible assets	1 774	223	750	120
Investment write off	-	-	1 381	-
Impairment of property, plant and equipment	3 457	642	-	-
(Decrease)/increase in impairment of trade and other receivables	(1 041)	17 783	709	21 981
Impairment reversal of loans to group companies	-	-	(2 620)	(6 885)
Movement in provision for obsolete stock	814	(4 839)	706	(4 535)
Losses on products	3 720	4 235	1 635	2 566
Movement in retirement benefit liability	(15)	(1 753)	(15)	(1 753)
Movement in provision for service bonus	180	614	(306)	613
Movement in derivatives	5 653	(10 838)	-	-
Disposal of right-of-use asset and lease liability	(514)	(430)	(255)	(407)
Net loss/(profit) on sale of property, plant and equipment	9 355	2 215	(381)	(572)
Net profit on sale of investment property	(1 070)	-	(1 070)	-
Profit on sale of subsidiary	-	(496)	-	-
Discontinued operations (Note 31):				
Loss before taxation	-	(113 473)	-	-
Depreciation and amortisation	-	1 434	-	-
Finance income	-	(228)	-	-
Finance costs	-	36 500	-	-
Impairment reversal of trade and other receivables	-	(307)	-	-
Impairment of property, plant and equipment	-	1 462	-	-
Movement in derivatives	-	38 087	-	-
Net loss on sale of property, plant and equipment	-	43	-	-
Changes in working capital				
(Increase)/decrease in inventories	(186 772)	215 270	(19 971)	46 769
(Increase)/decrease in current trade and other receivables	4 433	(15 328)	(44 107)	(18 040)
(Decrease)/increase in derivative financial instruments	(8 095)	3 353	-	-
Increase in trade and other payables	63 731	47 602	10 309	5 495
Acquisition of working capital through business combinations (Note 37)	(1 413)	-	-	-
	245 257	637 903	94 857	196 482
34 Tax paid				
Balance payable at the beginning of the year	(6 391)	(2 781)	(5 217)	(632)
Charged to profit or loss	(33 134)	(49 328)	(14 980)	(22 830)
Balance payable at the end of the year	(4 243)	6 391	(2 792)	5 217
	(43 768)	(45 718)	(22 989)	(18 245)

BKB LIMITED AND ITS SUBSIDIARIES
(Registration number 1998/012435/06)
Annual Financial Statements for the year ended 30 June 2025

NOTES TO THE FINANCIAL STATEMENTS

35 Changes in liabilities arising from financing activities

Reconciliation of liabilities arising from financing activities set out below:

	Loans from group companies R'000	Borrowings R'000	Leases R'000	Total R'000
Group - 2025				
Opening balance	-	527 640	83 506	611 146
Lease modification	-	-	(1 863)	(1 863)
Acquisitions - leases	-	-	16 329	16 329
Leases terminated	-	-	(971)	(971)
Other charges				
Interest expense	-	64 892	6 925	71 817
Interest payments (presented as operating cash flows)	-	(64 892)	(6 925)	(71 817)
Cash flows				
Proceeds from borrowings	-	2 130 000	-	2 130 000
Repayments	-	(2 104 017)	(18 218)	(2 122 235)
Closing balance	-	553 623	78 783	632 406
Group - 2024				
Opening balance	-	937 583	95 233	1 032 816
Acquisitions - leases	-	-	7 658	7 658
Leases terminated	-	-	(2 966)	(2 966)
Other charges				
Interest expense	-	89 618	7 307	96 925
Interest payments (presented as operating cash flows)	-	(89 618)	(7 307)	(96 925)
Cash flows				
Proceeds from borrowings	-	1 580 000	-	1 580 000
Repayments	-	(1 989 943)	(16 419)	(2 006 362)
Closing balance	-	527 640	83 506	611 146
Company - 2025				
Opening balance	54 526	511 999	37 673	604 198
Lease modification	-	-	(1 863)	(1 863)
Acquisitions - leases	-	-	15 238	15 238
Leases terminated	-	-	(722)	(722)
Non-cash loan movements	3 049	-	-	3 049
Other charges				
Interest expense	3 847	63 307	3 742	70 896
Interest payments (presented as operating cash flows)	(3 847)	(63 307)	(3 742)	(70 896)
Cash flows				
Proceeds from borrowings	509 010	2 130 000	-	2 639 010
Repayments	(475 287)	(2 095 626)	(12 157)	(2 583 070)
Closing balance	91 298	546 373	38 169	675 840
Company - 2024				
Opening balance	27 908	896 491	44 529	968 928
Acquisitions - leases	-	-	4 981	4 981
Leases terminated	-	-	(1 198)	(1 198)
Other charges				
Interest expense	1 884	86 419	3 927	92 230
Interest payments (presented as operating cash flows)	(1 884)	(86 419)	(3 927)	(92 230)
Cash flows				
Proceeds from borrowings	443 484	1 580 000	-	2 023 484
Repayments	(416 866)	(1 964 492)	(10 639)	(2 391 997)
Closing balance	54 526	511 999	37 673	604 198

BKB LIMITED AND ITS SUBSIDIARIES
(Registration number 1998/012435/06)
Annual Financial Statements for the year ended 30 June 2025

NOTES TO THE FINANCIAL STATEMENTS

	Group		Company	
	2025 R'000	2024 R'000	2025 R'000	2024 R'000
36 Dividends paid				
Dividends	(26 043)	-	(26 043)	-

37 Business combinations

Wool Partners Incorporated

On 1 April 2025, Pinnacle Fibres (Pty) Ltd (a wholly owned subsidiary of BKB) acquired Wool Partners Incorporated, a USA-based company. Wool Partners Incorporated purchases wool and exports it in various forms. This acquisition, therefore, aligns with the current business strategy of Pinnacle Fibres. A Foreign Direct Investment application was approved by the South African Reserve Bank, which allowed for the company's acquisition, and an approval for a revolving working capital loan up to a limit of R150 million. The acquisition comprised acquiring the assets and liabilities of Wool Partners Incorporated.

	Group		Company	
	2025 R'000	2024 R'000	2025 R'000	2024 R'000
Fair value of assets acquired and liabilities assumed				
Property, plant and equipment	1 451	-	-	-
Cash and cash equivalents	2 193	-	-	-
Inventories	97 015	-	-	-
Loans to group companies	1 486	-	-	-
Trade and other receivables	3 990	-	-	-
Trade and other payables	(6 083)	-	-	-
Loan from BKB Pinnacle Fibres (Pty) Ltd	(100 014)	-	-	-
Total identifiable net assets	38	-	-	-
Gain on bargain purchase	(20)	-	-	-
	18	-	-	-

Acquisition date fair value of consideration paid

Cash	(18)	-	-	-
	(18)	-	-	-

	Group		Company	
	2025 3 months R'000	2024 R'000	2025 3 months R'000	2024 R'000
Financial Results included in profit and loss for the period 1 April 2025 to 30 June 2025:				
Revenue	44 991	-	-	-
Loss before tax	(7 962)	-	-	-

BKB LIMITED AND ITS SUBSIDIARIES
(Registration number 1998/012435/06)
Annual Financial Statements for the year ended 30 June 2025

NOTES TO THE FINANCIAL STATEMENTS

38 Transactions in respect of subsidiaries

38.1 Sale of subsidiary

Shearwater Logistics

On 1 January 2024, the Group disposed of its entire 75% shareholding in Shearwater Logistics (Pty) Ltd (The Company) at Rnil value.

The Company is incorporated in South Africa and is engaged in logistics and freight forwarding.

	Group		Company	
	2025 R'000	2024 R'000	2025 R'000	2024 R'000
The carrying amounts of assets and liabilities as at date of sale 1 January 2024 were:				
Property, plant and equipment	-	271	-	-
Trade and other receivables	-	3 430	-	-
Cash and cash equivalents	-	(647)	-	-
Trade and other payables	-	(3 715)	-	-
Total identifiable net liabilities	-	(661)	-	-
Net carrying value of net liabilities sold	-	(661)	-	-
Non-controlling interest	-	165	-	-
Gain on sale	-	496	-	-
Impairment of Goodwill	-	(103)	-	-
Net gain included in profit or loss before tax	-	393	-	-

39 Related parties

Relationships

Subsidiaries (Note 7)

Related party balances

Loan accounts - owing by/(to) related parties

Loans to key management*	1 284	620	1 284	620
Loans to group companies (Note 9)	-	-	402 750	382 435
Loans from group companies (Note 21)	-	-	(91 298)	(54 526)

Amounts included in trade receivables/(trade payables) regarding related parties

BKB Distribution Centre (Pty) Ltd	-	-	(2 302)	(2 556)
Farmervet (Pty) Ltd	-	-	(2 952)	(3 679)
BKB Pinnacle Fibres (Pty) Ltd	-	-	771	521
Lihoai Consultancy (Pty) Ltd	-	-	-	219
Hoëveld Veilingsentrum (Pty) Ltd	-	-	-	(49)
Atlanta Products (Pty) Ltd	-	-	180	107
Grainco (Pty) Ltd	-	-	-	170
PaKHouse Foods (Pty) Ltd (previously Desert Raisins (Pty) Ltd)	-	-	964	55
Key management* and directors	318	289	318	289

* Key management includes the general managers of the Group.

BKB LIMITED AND ITS SUBSIDIARIES
(Registration number 1998/012435/06)
Annual Financial Statements for the year ended 30 June 2025

NOTES TO THE FINANCIAL STATEMENTS

	Group		Company	
	2025 R'000	2024 R'000	2025 R'000	2024 R'000
39 Related parties (continued)				
Related party transactions				
Interest received from related parties				
Billsons Coutts (Pty) Ltd	-	-	127	132
BKB Distribution Centre (Pty) Ltd	-	-	1 676	1 698
Farmervet (Pty) Ltd	-	-	1 426	1 905
The House of Fibre (Pty) Ltd	-	-	292	1 344
BKB Pinnacle Fibres (Pty) Ltd	-	-	28 016	26 431
Veliciae Luxury Real Estate (Pty) Ltd	-	-	11	-
Hoëveld Veilingsentrum (Pty) Ltd	-	-	1 906	1 658
Wool & Mohair Exchange of South Africa NPC	-	-	634	603
PaKHouse Brands (Pty) Ltd	-	-	81	-
PaKHouse Foods (Pty) Ltd (previously Desert Raisins (Pty) Ltd)	-	-	4 426	27 324
Shearwater Logistics (Pty) Ltd	-	-	-	528
Key management* and directors	101	108	101	108
Interest paid to related parties				
The House of Fibre (Pty) Ltd	-	-	(52)	-
Home and Hectare (Pty) Ltd	-	-	(776)	(899)
PaKHouse Brands (Pty) Ltd	-	-	(16)	(959)
Grainco (Pty) Ltd	-	-	(3 003)	(940)
Sales to related parties				
BKB Distribution Centre (Pty) Ltd	-	-	1 815	162
Farmervet (Pty) Ltd	-	-	2 490	7 716
The House of Fibre (Pty) Ltd	-	-	186	237
BKB Pinnacle Fibres (Pty) Ltd	-	-	66 918	86 164
Grainco (Pty) Ltd	-	-	15	2 041
PaKHouse Foods (Pty) Ltd (previously Desert Raisins (Pty) Ltd)	-	-	352	-
Transactions with key management* and directors	4 071	2 808	4 071	2 808
Purchases from related parties				
BKB Distribution Centre (Pty) Ltd	-	-	(41 701)	(37 025)
Farmervet (Pty) Ltd	-	-	(37 556)	(43 015)
Grainco (Pty) Ltd	-	-	(1 103)	(4 058)
PaKHouse Foods (Pty) Ltd (previously Desert Raisins (Pty) Ltd)	-	-	(477)	(341)
Rent (paid to)/received from related parties				
Home and Hectare (Pty) Ltd	-	-	-	(32)
Hoëveld Veilingsentrum (Pty) Ltd	-	-	(3 144)	(3 117)
PaKHouse Brands (Pty) Ltd	-	-	12	-
Wool & Mohair Exchange of South Africa NPC	-	-	(132)	(126)
Grainco (Pty) Ltd	-	-	(488)	(487)
PaKHouse Foods (Pty) Ltd (previously Desert Raisins (Pty) Ltd)	-	-	(122)	-
Service fees (paid to)/received from related parties				
Lihoai Consultancy (Pty) Ltd	-	-	(9 998)	(10 960)
BKB Pinnacle Fibres (Pty) Ltd	-	-	2 330	2 716
Shift Digital Acceleration (Pty) Ltd	-	-	-	(42)
Atlanta Products (Pty) Ltd	-	-	560	-

* Key management includes the general managers of the Group.

BKB LIMITED AND ITS SUBSIDIARIES
(Registration number 1998/012435/06)
Annual Financial Statements for the year ended 30 June 2025

NOTES TO THE FINANCIAL STATEMENTS

	Group		Company	
	2025 R'000	2024 R'000	2025 R'000	2024 R'000
39 Related parties (continued)				
Related party transactions (continued)				
Management fees (paid to)/received from related parties				
Farmervet (Pty) Ltd	-	-	-	(74)
The House of Fibre (Pty) Ltd	-	-	(255)	(80)
BKB Pinnacle Fibres (Pty) Ltd	-	-	(2 003)	-
Hoëveld Veilingsentrum (Pty) Ltd	-	-	90	90
Home and Hectare (Pty) Ltd	-	-	36	-
Lihoai Consultancy (Pty) Ltd	-	-	117	153
Wool & Mohair Exchange of South Africa NPC	-	-	178	169
Dividends received from related parties				
Farmervet (Pty) Ltd	-	-	472	-
Anzomix (Pty) Ltd	-	-	937	-
Lihoai Consultancy (Pty) Ltd	-	-	4 983	4 936
Home and Hectare (Pty) Ltd	-	-	218	3 000
PaKHouse Brands (Pty) Ltd	-	-	18 911	-
Rebate fees paid to related parties				
Home and Hectare (Pty) Ltd	-	-	(686)	(328)
Compensation to directors and other key management				
Short-term employee benefits	44 193	41 614	39 539	33 889
Termination benefits	-	207	-	-
Share-based payment	12 409	10 116	9 295	7 622
Non-executive directors fees and expenses reimbursed	4 319	3 998	4 319	3 998
	60 921	55 935	53 153	45 509

The Companies in the Group sell products in the normal course of business to directors and all other related Companies on terms and conditions applicable to all clients.

Total number of shares held by the directors and related shareholders in which they have declared a personal financial interest

	Group		Group	
	2025 Number	2025 %	2024 Number	2024 %
JE Stumpf	235 786	0.268	20 750	0.023
AS du Toit	66 050	0.075	-	-
JA van Niekerk	91 253	0.104	-	-
GEJ Kingwill	111 350	0.127	111 350	0.126
EA Meyer	388 567	0.442	343 827	0.389
CF Fick	24 078	0.027	24 113	0.027
V Pillay	3 130	0.004	3 130	0.004

BKB LIMITED AND ITS SUBSIDIARIES
(Registration number 1998/012435/06)
Annual Financial Statements for the year ended 30 June 2025

NOTES TO THE FINANCIAL STATEMENTS

40 Directors' emoluments

	Date of appointment	Fees	Salary & employee benefits	Bonus paid	Shares vested	Expense reimbursed	Total
		R'000	R'000	R'000	R'000	R'000	R'000
2025							
Executive directors							
JE Stumpf	01-Feb-20	-	7 021	1 797	2 021	-	10 839
AS du Toit	01-Oct-17	-	4 465	763	621	-	5 849
JA van Niekerk	01-May-20	-	4 262	985	857	-	6 104
Non-executive directors							
GEJ Kingwill	23-Oct-14	818	-	-	-	60	878
EA Meyer	31-Aug-11	528	-	-	-	89	617
CF Fick	23-Nov-22	370	-	-	-	17	387
CD Hobson	23-Nov-16	357	-	-	-	18	375
JF Janse van Rensburg	01-Jul-19	403	-	-	-	27	430
JG Louw	24-Nov-22	403	-	-	-	18	421
TP Mthembu (Appointed September 2024)	05-Sep-24	309	-	-	-	4	313
V Pillay	28-Jun-18	370	-	-	-	-	370
HC Staple	28-Nov-12	528	-	-	-	-	528
		4 086	15 748	3 545	3 499	233	27 111
2024							
Executive directors							
JE Stumpf	01-Feb-20	-	6 404	-	-	-	6 404
AS du Toit	01-Oct-17	-	4 211	-	-	-	4 211
JA van Niekerk	01-May-20	-	3 875	-	-	-	3 875
Non-executive directors							
GEJ Kingwill	23-Oct-14	818	-	-	-	56	874
EA Meyer	31-Aug-11	498	-	-	-	104	602
CF Fick	23-Nov-22	317	-	-	-	16	333
CD Hobson	23-Nov-16	309	-	-	-	25	334
JF Janse van Rensburg	01-Jul-19	371	-	-	-	23	394
JG Louw	24-Nov-22	346	-	-	-	22	368
P Mbikwana (Resigned March 2024)	23-Sep-22	255	-	-	-	-	255
V Pillay	28-Jun-18	340	-	-	-	-	340
HC Staple	28-Nov-12	498	-	-	-	-	498
		3 752	14 490	-	-	246	18 488

Service contracts

Johan Edmund Stumpf was appointed as Managing Director on 1 February 2020 on a fixed term contract that will expire on 31 August 2025. The remuneration committee approved an extension of the fixed term contract until 30 November 2032.

Executive directors are subject to written employment agreements. The employment agreements regulate duties, remuneration, allowances, restraints, leave and notice periods of these executives. All non-executive directors can get re-elected at the annual general meeting after their three year term has expired.

Share awards allocated to executive directors

The BKB Limited Bonus and Performance Share Entitlement Plan was introduced during the 2021 financial year and set out below are the number of shares allocated to executive directors during the financial years. The total group share based payment expense recognised for the 2025 financial year, relating to executive directors, amounted to R6 853 518 (2024: R5 916 420) and relates to five (2024: four) schemes. Shares vest on a yearly basis, depending on vesting conditions being met.

	JE Stumpf Number	AS du Toit Number	JA van Niekerk Number
2025			
Cumulative number of shares at 1 July 2024	711 656	291 085	319 084
Annual award of performance shares	188 691	73 417	97 933
Annual award of bonus shares	178 161	100 175	93 869
Cumulative number of shares at 30 June 2025	1 078 508	464 677	510 886
2024			
Cumulative number of shares at 1 July 2023	390 990	160 130	169 786
Annual award of performance shares	146 838	56 281	68 957
Annual award of bonus shares	173 828	74 674	80 341
Cumulative number of shares at 30 June 2024	711 656	291 085	319 084

BKB LIMITED AND ITS SUBSIDIARIES
(Registration number 1998/012435/06)
Annual Financial Statements for the year ended 30 June 2025

NOTES TO THE FINANCIAL STATEMENTS

41 Financial instruments and risk management

41.1 Categories of financial instruments

Categories of financial assets

	Notes	Fair value through profit or loss R'000	Amortised cost R'000	Total R'000
Group - 2025				
Derivatives	13	4 173	-	4 173
Trade and other receivables	10	-	972 535	972 535
Cash and cash equivalents	14	-	73 969	73 969
		4 173	1 046 504	1 050 677
Group - 2024				
Derivatives	13	5 325	-	5 325
Trade and other receivables	10	-	1 013 196	1 013 196
Cash and cash equivalents	14	-	56 714	56 714
		5 325	1 069 910	1 075 235
Company - 2025				
Loans to group companies	9	-	402 750	402 750
Trade and other receivables	10	-	628 085	628 085
Cash and cash equivalents	14	-	60 466	60 466
		-	1 091 301	1 091 301
Company - 2024				
Loans to group companies	9	-	382 435	382 435
Trade and other receivables	10	-	595 520	595 520
Cash and cash equivalents	14	-	35 126	35 126
		-	1 013 081	1 013 081

Categories of financial liabilities

	Notes	Fair value through profit or loss R'000	Amortised cost R'000	Total R'000
Group - 2025				
Derivatives	13	783	-	783
Trade and other payables	20	-	715 717	715 717
Borrowings	18	-	553 623	553 623
Lease liabilities	3	-	78 783	78 783
Bank overdraft	14	-	294	294
		783	1 348 417	1 349 200
Group - 2024				
Derivatives	13	8 878	-	8 878
Trade and other payables	20	-	640 467	640 467
Borrowings	18	-	527 640	527 640
Lease liabilities	3	-	83 506	83 506
Bank overdraft	14	-	6 737	6 737
		8 878	1 258 350	1 267 228

BKB LIMITED AND ITS SUBSIDIARIES
(Registration number 1998/012435/06)
Annual Financial Statements for the year ended 30 June 2025

NOTES TO THE FINANCIAL STATEMENTS

41 Financial instruments and risk management (continued)

41.1 Categories of financial instruments (continued)

Categories of financial liabilities (continued)

	Notes	Fair value through profit or loss R'000	Amortised cost R'000	Total R'000
Company - 2025				
Trade and other payables	20	-	296 452	296 452
Loans from group companies	21	-	91 298	91 298
Borrowings	18	-	546 373	546 373
Lease liabilities	3	-	38 169	38 169
		-	972 292	972 292
Company - 2024				
Trade and other payables	20	-	280 341	280 341
Loans from group companies	21	-	54 526	54 526
Borrowings	18	-	511 999	511 999
Lease liabilities	3	-	37 673	37 673
Bank overdraft	14	-	4 038	4 038
		-	888 577	888 577

41.2 Capital risk management

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

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain the capital structure, the Group may adjust the amount of dividends paid to the shareholders, repurchase shares currently issued, issue new shares, acquire or repay debt, issue new debt to replace existing debt with different characteristics and dispose of assets and investments to reduce debt.

The Group monitors capital using the gearing ratio. The gearing ratio is calculated as net borrowings (total borrowings less cash) divided by shareholders' equity.

The capital structure and gearing ratio of the Group at the reporting date were as follows:

	Group		Company	
	2025 R'000	2024 R'000	2025 R'000	2024 R'000
Loans from group companies	-	-	91 298	54 526
Borrowings	553 623	527 640	546 373	511 999
Lease liabilities	78 783	83 506	38 169	37 673
Total borrowings	632 406	611 146	675 840	604 198
Cash and cash equivalents	(73 675)	(49 977)	(60 466)	(31 088)
Net borrowings	558 731	561 169	615 374	573 110
Equity	1 591 008	1 477 749	1 407 359	1 363 554
Gearing (debt/equity) ratio	0.35	0.38	0.44	0.42

The Group aims to maintain a gearing ratio of between 0.43 and 0.67. This target band equates to 0.30 to 0.40 of debt to capital (debt to capital is calculated as net borrowings divided by total capital (net borrowings plus equity)). The calculated gearing ratio of 0.35 (2024: 0.38) is well below the target band, mainly due to cash generated from the disposal of working capital and assets in discontinued operations which resulted in lower borrowings required. Borrowing levels might increase in line with the Group's growth strategy.

BKB LIMITED AND ITS SUBSIDIARIES
(Registration number 1998/012435/06)
Annual Financial Statements for the year ended 30 June 2025

NOTES TO THE FINANCIAL STATEMENTS

41 Financial instruments and risk management (continued)

41.2 Capital risk management (continued)

The Group must ensure that the following loan conditions (financial covenants) are met on a BKB Group level, by providing an annual compliance certificate to its lenders. The ratios were as follows at year end:

	Group	
	2025	2024
- Interest cover in relation to EBITDA to be equal or exceed 2	4.08	2.72
- Total net debt to equity ratio be less than or equal to 1	0.35	0.38
- Total long term debt to EBITDA ratio be less than or equal to 1	0.54	0.43
- EBITDA to be at least R285 million	330	320
- The current ratio to be equal to or exceed 1	1.55	1.52
Ratios for continuing operations (excludes effect of discontinued operations)		
- Interest cover in relation to EBITDA to be equal or exceed 2	4.08	4.83
- Total net debt to equity ratio be less than or equal to 1	0.35	0.38
- Total long term debt to EBITDA ratio be less than or equal to 1	0.54	0.35
- EBITDA to be at least R285 million	330	395
- The current ratio to be equal to or exceed 1	1.55	1.52

The Group has sufficient credit lines and liquidity for the foreseeable future and enjoys the continued support of its lenders.

41.3 Financial risk management

Overview

The Group is exposed to the following risks from its use of financial instruments:
Credit risk;
Liquidity risk; and
Market risk (currency risk, interest rate risk and price risk).

The board has overall responsibility for the establishment and oversight of the Group's risk management framework. The board has established the Audit and Risk Committee, which is responsible for developing and monitoring the Group's risk management policies. The committee reports quarterly 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, and 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 Audit and Risk Committee oversees how management monitors compliance with the risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group's risk exposure is considered by the committee on a quarterly basis.

i. 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 their contractual obligations.

The Group is exposed to credit risk on loans receivable, trade and other receivables, derivative financial instruments and cash and cash equivalents.

Credit risk for exposures other than those arising on derivative financial instruments and cash and cash equivalents, is managed by making use of credit approvals, limits and monitoring. Sufficient collateral or guarantees are also obtained when necessary. Each counterparty is analysed individually for creditworthiness before terms and conditions are offered. The analysis involves making use of information submitted by the counterparties as well as external bureau data (where available). Counterparty credit limits are in place and are reviewed and approved by credit management committees. The exposure to credit risk and the creditworthiness of counterparties is continuously monitored.

Credit risk exposure arising on derivative financial instruments and cash and cash equivalents is managed by the Group through dealing with well-established financial institutions with high credit ratings. While these financial instruments are subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial. Refer Note 13 and 14.

Credit loss allowances for expected credit losses are recognised for all debt instruments, but excluding those measured at fair value through profit or loss.

BKB LIMITED AND ITS SUBSIDIARIES
(Registration number 1998/012435/06)
Annual Financial Statements for the year ended 30 June 2025

NOTES TO THE FINANCIAL STATEMENTS

41 Financial instruments and risk management (continued)

41.3 Financial risk management (continued)

i. Credit risk (continued)

In order to calculate credit loss allowances, management determine whether the loss allowances should be calculated on a 12 month or on a lifetime expected credit loss basis. This determination depends on whether there has been a significant increase in the credit risk since initial recognition. If there has been a significant increase in credit risk, then the loss allowance is calculated based on lifetime expected credit losses. If not, then the loss allowance is based on 12-month expected credit losses. This determination is made at the end of each financial period. The basis of the loss allowance for a specific financial asset could thus change year on year.

When determining the risk of default, management consider information such as payment history to date, industry in which the customer is engaged, period for which the customer has been in business, external credit references etc. Credit risk is not assessed to be low simply because of the value of collateral associated with a financial instrument. If the instrument would not have a low credit risk in the absence of collateral, then the credit risk is not considered low when taking the collateral into account. Collateral held as securities includes suretyships, cession on fibre clips, notarial bonds, mortgage bonds, cession on crop and crop insurance and credit insurance. The vehicle serves as collateral for the loan advanced to an employee in respect of each agreement. On foreign trade receivables covered by a letter of credit against A-rated banks as collateral, no loss allowance is recognised. Collateral held at 30 June 2025 is R71,8 million.

Where necessary, the assessment for a significant increase in credit risk is made on a collective basis. Management typically adopt this approach when information relevant to the determination of credit risk is not available on an individual instrument level. Often, the only information available on individual instruments which could indicate an increase in credit risk, is "past due" information. It is typical that more forward-looking information is generally more readily available on a collective basis. Making the determination on a collective basis helps to ensure that credit loss allowances are determined on the basis of lifetime expected credit losses before they reach the point of being past due. Forward looking, macro-economic information is applied on a collective basis when it is readily available without undue cost or effort. When loss allowances are determined on a collective basis, management determines the loss allowances by grouping financial instruments on the basis of shared credit risk characteristics.

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

	Notes	Gross carrying amount R'000	Credit loss allowance R'000	Amortised cost / fair value R'000
Group - 2025				
Trade and other receivables	10	1 043 979	(71 444)	972 535
Derivatives	13	4 173	-	4 173
Cash and cash equivalents	14	73 969	-	73 969
		<u>1 122 121</u>	<u>(71 444)</u>	<u>1 050 677</u>
Group - 2024				
Trade and other receivables	10	1 085 681	(72 485)	1 013 196
Derivatives	13	5 325	-	5 325
Cash and cash equivalents	14	56 714	-	56 714
		<u>1 147 720</u>	<u>(72 485)</u>	<u>1 075 235</u>
Company - 2025				
Loans to group companies	9	414 217	(11 467)	402 750
Trade and other receivables	10	691 727	(63 642)	628 085
Cash and cash equivalents	14	60 466	-	60 466
		<u>1 166 410</u>	<u>(75 109)</u>	<u>1 091 301</u>
Company - 2024				
Loans to group companies	9	396 522	(14 087)	382 435
Trade and other receivables	10	658 453	(62 933)	595 520
Cash and cash equivalents	14	35 126	-	35 126
		<u>1 090 101</u>	<u>(77 020)</u>	<u>1 013 081</u>

Amounts are presented at amortised cost less credit loss allowance where applicable. The fair value is equal to the carrying amount.

Credit risk for Company also arises from intercompany loans receivable and has been assessed in Note 9.

BKB LIMITED AND ITS SUBSIDIARIES
(Registration number 1998/012435/06)
Annual Financial Statements for the year ended 30 June 2025

NOTES TO THE FINANCIAL STATEMENTS

41 Financial instruments and risk management (continued)

41.3 Financial risk management (continued)

ii. Liquidity risk

The Group is exposed to liquidity risk, which is the risk that the Group will encounter difficulties in meeting its obligations as they become due.

The Group manages its liquidity risk by effectively managing its working capital, capital expenditure and cash flows. The financing requirements are met through a mixture of cash generated from operations and long and short term borrowings. Committed borrowing facilities are available for meeting liquidity requirements and deposits are held at central banking institutions.

There have been no significant changes in the liquidity risk management policies and processes since the prior reporting period.

The maturity profile of contractual cash flows of financial liabilities are presented in the following table. The cash flows are undiscounted contractual amounts.

	1 to 6 months R'000	7 to 12 months R'000	> 1 to < 5 years R'000	> 5 years R'000	Carrying amount R'000
Group - 2025					
Trade and other payables	715 717	-	-	-	715 717
Borrowings	17 740	435 358	117 125	-	553 623
Derivatives	783	-	-	-	783
Lease liabilities	9 988	9 989	56 396	24 904	78 783
Bank overdraft	-	294	-	-	294
	744 228	445 641	173 521	24 904	1 349 200
Group - 2024					
Trade and other payables	640 467	-	-	-	640 467
Borrowings	17 740	385 283	154 966	-	527 640
Derivatives	8 878	-	-	-	8 878
Lease liabilities	11 751	11 752	50 927	34 427	83 506
Bank overdraft	-	6 737	-	-	6 737
	678 836	403 772	205 893	34 427	1 267 228
Company - 2025					
Trade and other payables	296 452	-	-	-	296 452
Loans from group companies	91 298	-	-	-	91 298
Borrowings	15 556	433 174	114 245	-	546 373
Lease liabilities	6 101	6 100	27 487	9 261	38 169
	409 407	439 274	141 732	9 261	972 292
Company - 2024					
Trade and other payables	280 341	-	-	-	280 341
Loans from group companies	54 526	-	-	-	54 526
Borrowings	15 556	383 020	147 805	-	511 999
Lease liabilities	7 106	7 106	22 940	11 281	37 673
Bank overdraft	-	4 038	-	-	4 038
	357 529	394 164	170 745	11 281	888 577

Any part of the Group's borrowing base loan facility (disclosed in Note 18) which is repaid, may be reborrowed. This facility matures in March 2026. The Group expects to renew the facility on an annual basis. The unutilised portion as at 30 June 2025 amounted to R152,1 million (2024: R296,4 million) and an additional R200 million (2024: R196 million) overdraft facility is available.

BKB LIMITED AND ITS SUBSIDIARIES
(Registration number 1998/012435/06)
Annual Financial Statements for the year ended 30 June 2025

NOTES TO THE FINANCIAL STATEMENTS

41 Financial instruments and risk management (continued)

41.3 Financial risk management (continued)

ii. Liquidity risk (continued)

The maturity analysis of gross contractual cash flows in terms of lease liabilities are as follows:

	Group		Company	
	2025 R'000	2024 R'000	2025 R'000	2024 R'000
Lease liabilities				
Within 6 months	9 988	11 751	6 101	7 106
Within 7 to 12 months	9 989	11 752	6 100	7 106
Two to five years	56 396	50 927	27 487	22 940
Greater than five	24 904	34 427	9 261	11 281
	101 277	108 857	48 949	48 433
	(22 494)	(25 351)	(10 780)	(10 760)
	78 783	83 506	38 169	37 673
Less finance charges component				
Non-current liabilities	64 932	66 117	29 322	26 444
Current liabilities	13 851	17 389	8 847	11 229
	78 783	83 506	38 169	37 673

iii. Foreign currency risk

The Group operates internationally and is exposed to foreign currency risk, primarily the US dollar, Chinese Yuan and the Euro. Foreign currency risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the functional currency of the Group.

Foreign currency risk arising from future commercial transactions is measured through a forecast of highly probable future revenues ("hedged items") denominated in a foreign currency. The foreign currency exposure is hedged with the objective of minimising the volatility of the future revenues and its impact on profit or loss. The Group's exposure to other foreign currency related risk is not material.

The Group's foreign currency exposure is managed within approved risk management policy parameters utilising foreign forward exchange contracts and options contracts ("hedging instruments") where necessary. Under the Group policy, the critical terms of the hedging instruments used must align with the hedged items. The policy is to hedge highly probable future revenues at specific intervals during the business cycle. At 30 June 2025, 100% (2024: 100%) of forecast US dollar and Chinese Yuan revenues qualified as highly probable forecast transactions for hedge accounting purposes.

The Group only designates the spot component of foreign forward exchange contracts in hedge relationships. The spot component is determined with reference to relevant spot market exchange rates.

The Group has engaged a specialist third party to assist with foreign currency risk management.

Exposures in Rand

The net carrying amounts, in Rand, of the various exposures, are denominated in the following currencies. The amounts have been presented in Rand by converting the foreign currency amounts at the closing rate at the reporting date:

	Group		Company	
	2025 R'000	2024 R'000	2025 R'000	2024 R'000
US Dollar exposure				
Trade and other receivables	97 935	149 290	-	-
Cash and cash equivalents	6 273	336	-	-
Trade and other payables	(53 296)	(57 782)	-	-
Net US Dollar exposure	50 912	91 844	-	-
Chinese Yuan exposure				
Trade and other receivables	1 306	10 158	-	-
Net Chinese Yuan exposure	1 306	10 158	-	-

BKB LIMITED AND ITS SUBSIDIARIES
(Registration number 1998/012435/06)
Annual Financial Statements for the year ended 30 June 2025

NOTES TO THE FINANCIAL STATEMENTS

41 Financial instruments and risk management (continued)

41.3 Financial risk management (continued)

iii. Foreign currency risk (continued)

Euro exposure

	Group		Company	
	2025	2024	2025	2024
	R'000	R'000	R'000	R'000
Trade and other receivables	4 298	-	-	-
Trade and other payables	(2 010)	-	-	-
Net Euro exposure	2 288	-	-	-

Australian Dollar exposure

Trade and other payables	-	(126)	-	-
Net Australian Dollar exposure	-	(126)	-	-

The net carrying amounts, in foreign currency of the above exposure was as follows:

	Group		Company	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Trade and other receivables	5 533	8 197	-	-
Cash and cash equivalents	354	18	-	-
Trade and other payables	(3 011)	(3 173)	-	-
Net US Dollar exposure	2 876	5 042	-	-

	Group		Company	
	2025	2024	2025	2024
	¥'000	¥'000	¥'000	¥'000
Trade and other receivables	530	4 058	-	-
Net Chinese Yuan exposure	530	4 058	-	-

	Group		Company	
	2025	2024	2025	2024
	€'000	€'000	€'000	€'000
Trade and other receivables	215	-	-	-
Trade and other payables	(97)	-	-	-
Net Euro exposure	118	-	-	-

	Group		Company	
	2025	2024	2025	2024
	A\$'000	A\$'000	A\$'000	A\$'000
Trade and other payables	-	(10)	-	-
Net Australian Dollar exposure	-	(10)	-	-

	Group		Company	
	2025	2024	2025	2024
Exchange rates				
Foreign currency per Rand				
US Dollar	17.70	18.21	17.70	18.21
Chinese Yuan	2.47	2.50	2.47	2.50
Euro	19.33	19.47	19.33	19.47
Australian Dollar	11.63	12.15	11.63	12.15

BKB LIMITED AND ITS SUBSIDIARIES
(Registration number 1998/012435/06)
Annual Financial Statements for the year ended 30 June 2025

NOTES TO THE FINANCIAL STATEMENTS

41 Financial instruments and risk management (continued)

41.3 Financial risk management (continued)

iii. Foreign currency risk (continued)

Forward exchange contracts

The net market value of all forward exchange contracts disclosed in Note 13 is calculated by comparing the forward exchange contracted rates to the equivalent market foreign exchange rates at reporting date.

Group - 2025	Notes	Average contract rate	Contract currency amount	Notional amount
Exports			\$/¥'000	R'000
Sell US dollar - expiry July 2025 to September 2025	13	18.05	6 369	114 969
Sell Yuan - expiry July 2025 to September 2025		2.49	1 014	2 525

Group - 2024	Notes	Average contract rate	Contract currency amount	Notional amount
Exports			\$/€/€'000	R'000
Sell US dollar - expiry July 2024 to December 2024	13	18.66	12 721	237 440
Buy US dollar - expiry July 2024 to December 2024		18.41	737	13 562
Sell Yuan - expiry July 2024 to September 2024		2.67	4 242	11 322
Sell Euro - expiry July 2024 to September 2024		20.40	200	4 084

Foreign currency options contracts

The Group does not have any foreign currency options contracts at year end.

Hedging activity

Forward exchange contracts are designated as cash flow hedges and have a hedge ratio of 1:1 (2024: 1:1). At 30 June 2025 unrealised cash flow hedges were 100% effective (2024: 100%). The effective portion of unrealised cash flow hedges are recorded in other comprehensive income as set out in Accounting Policy Section 46.10.11.

Foreign currency sensitivity analysis

The Group risk management policy aims to limit the impact of foreign currency movements on profit or loss to a material extent. The intervals at which exposure arise also trigger establishment of a hedging instrument. As a result, profit or loss is less sensitive to movements in the US dollar and Euro exchange rates. Equity is less sensitive to movements in the Group US dollar and Euro exchange rates in 2025 than 2024 because of the decreased amount of foreign currency forwards. Hedge ineffectiveness arises where the Group closes designated hedging instruments due to a change in hedged item (forecast sale) pricing or occurrence and is recycled through OCI to profit or loss as non-hedge related gains/losses.

Group

At 30 June 2025, if the Rand/US Dollar exchange rate had been 2% (2024: 2%) higher or lower during the period, with all other variables held constant, the hedge reserve would have been R1 086 067 lower (2024: R1 718 095 lower) and R1 086 067 higher (2024: R1 718 095 higher). Any change in the Rand/Yuan and Rand/Euro exchange rates would not have had a material impact on the reported results.

iv. Interest rate risk

Interest rate risk is the risk that the Group's financial position may be adversely affected as a result of changes in the market interest rate. The Group is exposed to the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows. The Group's most significant interest bearing assets are its trade receivables, and cash and cash equivalents. The Group's most significant interest bearing liabilities are its loans with various financial institutions. The Company also has loans to and from Group companies.

BKB LIMITED AND ITS SUBSIDIARIES
(Registration number 1998/012435/06)
Annual Financial Statements for the year ended 30 June 2025

NOTES TO THE FINANCIAL STATEMENTS

41 Financial instruments and risk management (continued)

41.3 Financial risk management (continued)

iv. Interest rate risk (continued)

The Group manages its interest rate risk by negotiating the best possible interest rates with relevant financial institutions, and through borrowing funds at floating interest rates.

There have been no significant changes in the interest rate risk management policies and processes since the prior reporting period.

Interest rate sensitivity analysis

The following sensitivity analysis has been prepared using a sensitivity rate which is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates. All other variables remain constant. The sensitivity analysis includes only financial instruments exposed to interest rate risk which were recognised at the reporting date. No changes were made to the methods and assumptions used in the preparation of the sensitivity analysis compared to the previous reporting period.

	Group		Company	
	2025	2024	2025	2024
	R'000	R'000	R'000	R'000
Loans from group companies	-	-	91 298	54 526
Borrowings	553 623	527 640	546 373	511 999
Bank overdrafts	294	6 737	-	4 038
Total borrowings	553 917	534 377	637 671	570 563
Cash and cash equivalents	(73 969)	(56 714)	(60 466)	(35 126)
Net interest bearing debt	479 948	477 663	577 205	535 437
Loans to group companies	-	-	402 750	382 435
Trade receivables out of terms net of specific loss allowance	318 442	293 531	173 375	200 551
Producer advances net of specific loss allowance	122 268	140 826	91 183	106 650
Loans to employees net of specific loss allowance	26 917	26 347	26 917	26 347
Net interest bearing assets	467 627	460 704	694 225	715 983
Increase/(decrease) in profit after tax				
Effect on interest on borrowings				
1% increase in interest rate	(3 504)	(3 487)	(4 214)	(3 909)
1% decrease in interest rate	3 504	3 487	4 214	3 909
Effect on interest on net interest bearing debt less net interest bearing assets				
1% increase in interest rate	(90)	(124)	854	1 318
1% decrease in interest rate	90	124	(854)	(1 318)

v. Price risk

The Group does not use derivatives to manage operational exposures to price risks relating to changes in livestock and wool and mohair prices.

The subsidiaries involved in grain-related activities enter into forward sales and purchase contracts ("hedged items") with their customers and suppliers, as well as stock on hand. These contracts carry market price risk when the price of the contract is fixed, as underlying commodity markets continues to fluctuate. This can have the effect that the subsidiaries would incur a loss or realise a gain depending on the movement in the market. The price risk is directly linked with the tonnage of the commodity determined in the contract with the suppliers and customers.

The grain operations manage the risk by taking out futures on the SAFEX market ("hedging instruments"), thereby negating the net exposure to fluctuations in commodity prices. This exposure is managed within approved risk management policy parameters and under the Group policy, the critical terms of the hedging instruments used must align with the hedged items. The policy is to hedge highly probable future commercial transactions at specific intervals during the business cycle. The business cycle for commodity price risk purposes is set at between one month and two months. At 30 June 2025, 100% (2024: 100%) of designated forecast transactions qualified as highly probable forecast transactions for hedge accounting purposes.

The grain operations are fully hedged on the SAFEX market and changes in SAFEX fluctuation will not be significant.

Hedging activity

SAFEX open forward contracts are designated as cash flow hedges and have a hedge ratio of 1:1 (2024: 1:1). At 30 June 2025 unrealised cash flow hedges were 100% effective (2024: 100%). The effective portion of unrealised cash flow hedges are recorded in other comprehensive income as set out in Accounting Policy Section 46.10.11.

BKB LIMITED AND ITS SUBSIDIARIES
(Registration number 1998/012435/06)
Annual Financial Statements for the year ended 30 June 2025

NOTES TO THE FINANCIAL STATEMENTS

42 Fair value information

Fair value hierarchy

The table below analyses assets and liabilities carried at fair value. The different levels are defined as follows:

Level 1: Quoted unadjusted prices in active markets for identical assets or liabilities that the Group can access at measurement date.
Level 2: Inputs other than quoted prices included in level 1 that are observable for the asset or liability either directly or indirectly.
Level 3: Unobservable inputs for the asset or liability.

Levels of fair value measurements	Group		Company	
	2025	2024	2025	2024
	R'000	R'000	R'000	R'000
Level 1				
Liabilities				
Other financial liabilities at fair value through profit or loss				
Open forward contracts	783	8 878	-	-
Level 2				
Assets				
Hedging derivatives				
Foreign exchange contracts	4 173	5 325	-	-
Level 3				
Assets				
Recurring fair value measurements				
Investment property				
Office buildings	3 810	5 339	3 810	5 339
Warehouses	24 800	45 500	-	-
Other	10 823	10 400	10 823	10 400
Total investment property	39 433	61 239	14 633	15 739
Property, plant and equipment				
Fibre warehouse (including offices)	189 055	189 055	189 055	189 055
Retail branches	171 311	163 460	171 311	163 460
Office buildings	14 135	14 135	10 435	2 095
Shearing and auction facilities	62 610	62 485	23 390	23 265
Processing and packaging plant buildings	52 659	48 341	-	-
Total property, plant and equipment	489 770	477 476	394 191	377 875
Assets classified as held for sale	25 000	9 076	-	-

The fair value of the following financial instruments is equal to the carrying amount: loans to group companies, trade and other receivables, cash and cash equivalents, borrowings, lease liabilities, trade and other payables and bank overdraft.

BKB LIMITED AND ITS SUBSIDIARIES
(Registration number 1998/012435/06)
Annual Financial Statements for the year ended 30 June 2025

NOTES TO THE FINANCIAL STATEMENTS

42 Fair value information (continued)

Valuation techniques used to derive level 1 fair values

The fair value of commodity derivatives are based on quoted market prices at the end of the reporting period. The quoted market price used for financial instruments held by the Group is the future price obtained from SAFEX (South African Futures Exchange).

Valuation techniques used to derive level 2 fair values

The Group's foreign currency forward contracts are valued using standard calculations/models that are primarily based on observable inputs, such as foreign currency exchange rates. The fair value of foreign exchange contracts are determined using quoted forward exchange rates at the reporting date.

Valuation techniques used to derive level 3 fair values

Retail branches, office buildings, shearing and auction facilities, processing and packaging plant buildings (including investment property)

Level 3 fair values of retail branches, office buildings, shearing and auction facilities, processing and packaging plant buildings have been generally derived using the yield method. The main Level 3 inputs used in this model are discount rates, terminal yields, expected vacancy rates, market rental rates and rental growth rates are estimated by independent external valuers based on comparable transactions and industry data.

No changes have been made to the valuation technique.

The most significant assumptions used in the valuation of the properties were the capitalisation rates, vacancy rates and market rental rates which are set out below for the various properties:

Significant assumptions	Capitalisation rate	Vacancy rate	Average market rental rate
Group - 2025			R/m2
Fibre warehouse (including offices)	11%	10%	27
Retail branches	10.5% to 13%	5% to 20%	5 to 63
Office buildings	10.5% to 11%	5% to 15%	34 to 71
Shearing and auction facilities	12%	5% to 10%	18 to 22
Processing and packaging plant buildings	9% to 11.5%	0% to 5%	7 to 53
Warehouses	11.50%	10%	24

Sensitivity analysis

Changes in the capitalisation and vacancy rates may impact the calculated fair value, the effect of a 1% change on the calculated fair values are as follows:

Group - 2025	+1% R'000	-1% R'000
1% change in capitalisation rate	(38 002)	45 786
1% change in vacancy rate	(7 158)	7 158

The probability of vacancies occurring is low due to the properties mainly being held for own use. The assessment of the capitalisation rates on BKB properties depends primarily on the location, type, condition, quality, and the ability to find tenants in the event of a specific property going vacant. Where a property is located in an area where the likelihood of finding alternative tenants is high, a numerically lower capitalisation rate is estimated, which leads to a higher value for such property and the converse being true where a property may lead to a prolonged period or even permanent vacancy if the owner or current tenant ceases its business.

BKB LIMITED AND ITS SUBSIDIARIES
(Registration number 1998/012435/06)
Annual Financial Statements for the year ended 30 June 2025

NOTES TO THE FINANCIAL STATEMENTS

42 Fair value information (continued)

Valuation processes applied by the Group

The Group engages external, independent and qualified valuers to estimate the fair value of the Group's office building and fibre warehouse as well on its processing and packaging plant buildings triennially. Retail branches as well as shearing and auction facilities are valued every five years as these are mostly in rural areas. Where comparable information is available, the comparable sales method is used and if not available the income capitalisation method of valuation is being used.

The property portfolio was valued as follows:

- All retail branches, shearing and auction facilities were revalued on 30 June 2023.
- Raisin processing plant building, Bloemsmond was revalued on 30 June 2023.
- Sugar processing plant building, Matsapha Industrial Estate, Swaziland was valued on 30 June 2025.
- Gqeberha office buildings and fibre warehouse were valued on 30 June 2024.
- Office buildings in Paarl and Wool & Mohair Exchange in Gqeberha were valued on 30 June 2024.
- Grain milling plant building, Bethlehem was valued on 30 June 2024. The valuation includes unimproved land to the extent of 42 691 square meters valued at R4 269 100.

Andre Crouse of Koelro No57CC t/a Andre Crouse, who is a member of the South African Council of Property Valuers Profession is the independent valuer used for the valuations of the Group's properties in South Africa. Mr. A Crouse qualifications include (BCom(Hons), Dip Ind Eng (USA) and Nat Dip Tech (Prod Eng)). He has more than 30 years experience in his field of expertise.

Bongani Zwane of Springbok Property Valuations and Real Estate Consultants valued Matsapha Industrial Estate, Swaziland. Mr. B Zwane is a valuation surveyor with an (Hons) Degree in Property Studies, BTech Land Management (LIS), ND Land and Valuation @ Estate Management (Namibia).

The directors are of the opinion that the fair values as determined by the independent valuers during the last valuations performed, for properties listed above, represent the fair value of the investment properties and land and buildings.

BKB LIMITED AND ITS SUBSIDIARIES
(Registration number 1998/012435/06)
Annual Financial Statements for the year ended 30 June 2025

NOTES TO THE FINANCIAL STATEMENTS

43 Going concern

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

The directors have satisfied themselves that the Group and Company are in a positive net current asset position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the Group or Company. The directors are not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the Group or Company.

The Group structures its borrowing facilities through a Security SPV Guarantor. These facilities provide not only sufficient cash headroom for the foreseeable future, but also allows easier entry for new financiers.

44 Events after the reporting period

The Directors are not aware of any material events occurring after the reporting date and up to the date of this report that would have a material impact on these annual financial statements.

45 New Standards and Interpretations

In the current year, the Group has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

45.1 Standards and interpretations effective and adopted in the current year

Standards/Interpretations:	Effective date:	Impact:
Amendments to IAS 1, 'Presentation of Financial Statements' - Non-current liabilities with covenants.	01-Jan-24	No material impact
Amendment to IFRS 16, 'Leases' - sale and leaseback	01-Jan-24	No material impact
Amendments to Supplier Finance Arrangements (IAS 7 'Statement of Cash Flows' and IFRS 7 'Financial Instruments: Disclosure')	01-Jan-24	No material impact

45.2 Standards and interpretations not yet effective

Standards/Interpretations:	Effective date:	Expected impact:
Amendments to IAS 21, 'The Effects of Changes in Foreign Exchange Rates' - Lack of Exchangeability (Amendments to IAS 21)	01-Jan-25	Unlikely there will be a material impact.
Amendment to IFRS 9, "Financial Instruments" and IFRS 7, "Financial Instruments: Disclosures" - Classification and Measurement of Financial Instruments	01-Jan-26	Unlikely there will be a material impact.
IFRS 18, 'Presentation and Disclosure in Financial Statements'	01-Jan-27	Material disclosure impact
IFRS 19, 'Subsidiaries without Public Accountability'	01-Jan-27	Unlikely there will be a material impact.

BKB LIMITED AND ITS SUBSIDIARIES
(Registration number 1998/012435/06)
Annual Financial Statements for the year ended 30 June 2025

ACCOUNTING POLICIES

46. Material accounting policies

The annual financial statements for the year ended 30 June 2025 were approved by the board of directors on 4 September 2025.

The principal accounting policies applied in the preparation of these consolidated and separate annual financial statements are set out below.

46.1 Basis of preparation

The consolidated and separate financial statements have been prepared on the going concern basis in accordance with IFRS® Accounting Standards and International Accounting Standards (IAS) as issued by the International Accounting Standards Board (IASB) and Interpretations as issued by the IFRS Interpretations Committee (IFRIC), and comply with the South African Institute of Chartered Accountants (SAICA) Financial Reporting Guides as issued by the Accounting Practices Committee (APC), Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council (FRSC), and effective at the time of preparing these financial statements, and the Companies Act 71 of 2008 of South Africa, as amended.

The financial statements have been prepared on the historical cost convention, unless otherwise stated in the accounting policies. They are presented in thousands of Rand, which is the Group's presentation currency and Company's presentation and functional currency.

These accounting policies are consistent with the previous period.

46.2 Segmental reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive directors that make strategic decisions.

The basis of segmental reporting has been set out in Note 1.

46.3 Consolidation

46.3.1 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and all its subsidiaries. Subsidiaries are entities (including structured entities) which are controlled by the Holding Company.

The Holding Company has control of an entity when it is exposed to or has rights to variable returns from involvement with the entity and it has the ability to affect those returns through use of its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group (acquisition date) and are deconsolidated from the date that control ceases (disposal date).

The results of subsidiaries are included in the consolidated financial statements from the effective date of acquisition to the effective date of disposal. Adjustments are made when necessary to the financial statements of subsidiaries to bring their accounting policies in line with those of the Group. All inter-company transactions, balances, and unrealised gains on transactions between Group companies are eliminated in full on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Non-controlling interests in the net assets of consolidated subsidiaries are identified and recognised separately from the Group's interest therein and are recognised within equity. Losses of subsidiaries attributable to non-controlling interests are allocated to the non-controlling interest even if this results in a debit balance being recognised for non-controlling interest. Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions and are recognised directly in the Statement of Changes in Equity.

The difference between the fair value of consideration paid or received and the movement in non-controlling interest for such transactions are recognised in equity attributable to the owners of the Company.

Where a subsidiary is disposed of and a non-controlling shareholding is retained, the remaining investment is measured to fair value with the adjustment to fair value recognised in profit or loss as part of the gain or loss on disposal of the controlling interest. The fair value is the initial carrying amount for the purposes 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.

46.3.2 Investments in subsidiaries in the separate financial statements

In the Company's separate financial statements, investments in subsidiaries are carried at cost less any accumulated impairment losses. This excludes investments which are held for sale and are consequently accounted for in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations.

BKB LIMITED AND ITS SUBSIDIARIES
(Registration number 1998/012435/06)
Annual Financial Statements for the year ended 30 June 2025

ACCOUNTING POLICIES

46.3 Consolidation (continued)

46.3.3 Business combinations

The Group accounts for business combinations using the acquisition method of accounting. The cost of the business combination is measured as the aggregate of the fair values of assets given, liabilities incurred or assumed, and equity instruments issued. Costs directly attributable to the business combination are expensed as incurred, except the costs to issue debt which are amortised as part of the effective interest and costs to issue equity which are included in equity.

Any contingent consideration is included in the cost of the business combination at fair value as at the date of acquisition. Subsequent changes to the assets, liability or equity which arise as a result of the contingent consideration are not affected against goodwill, unless they are valid measurement period adjustments. Otherwise, all subsequent changes to the fair value of contingent consideration that is deemed to be an asset or liability is recognised in either profit or loss or in other comprehensive income, in accordance with relevant IFRS's. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

The acquiree's identifiable assets, liabilities and contingent liabilities which meet the recognition conditions of IFRS 3 Business combinations are recognised at their fair values at acquisition date, except for non-current assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non-current assets Held For Sale and Discontinued Operations, which are recognised at fair value less costs to sell.

Contingent liabilities are only included in the identifiable assets and liabilities of the acquiree where there is a present obligation at acquisition date.

On acquisition, the acquiree's assets and liabilities are reassessed in terms of classification and are reclassified where the classification is inappropriate for group purposes. This excludes lease agreements and insurance contracts, whose classification remains as per their inception date.

Non-controlling interests in the acquiree are measured on an acquisition-by-acquisition basis either at fair value or at the non-controlling interests' proportionate share in the recognised amounts of the acquiree's identifiable net assets. This treatment applies to non-controlling interests which are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation. All other components of non-controlling interests are measured at their acquisition date fair values, unless another measurement basis is required by IFRS.

In cases where the Group held a non-controlling shareholding in the acquiree prior to obtaining control, that interest is measured to fair value as at acquisition date. The measurement to fair value is included in profit or loss for the year.

Goodwill is determined as the consideration paid, plus the fair value of any shareholding held prior to obtaining control, plus non-controlling interest and less the fair value of the identifiable assets and liabilities of the acquiree. If the fair value of the net assets acquired is in excess of the consideration paid, then the gain is recognised directly in profit or loss.

Goodwill is not amortised but is tested on an annual basis for impairment. If goodwill is assessed to be impaired, that impairment is not subsequently reversed.

46.3.4 Combination of entities under common control

Predecessor accounting is applied for combinations of entities under common control. Assets and liabilities of the acquired entity are stated at predecessor carrying values. No fair value measurement is performed and therefore no new goodwill recognised. Any difference between the consideration given and the aggregate carrying value of the assets and liabilities of the acquired entity at the date of the transaction is included in equity in a separate reserve. The acquired entity's results and balance sheet are incorporated prospectively from the date on which the business combination between entities under common control occurred.

46.4 Significant judgements and sources of estimation uncertainty

The preparation of financial statements in conformity with IFRS requires management, from time to time, to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

46.4.1 Critical judgements in applying accounting policies

The critical judgements made by management in applying accounting policies, apart from those involving estimations, that have the most significant effect on the amounts recognised in the financial statements, are outlined as follows:

i. Lease term: IFRS 16

In determining the lease term, management considered 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). Refer to Note 3.

BKB LIMITED AND ITS SUBSIDIARIES
(Registration number 1998/012435/06)
Annual Financial Statements for the year ended 30 June 2025

ACCOUNTING POLICIES

46.4 Significant judgements and sources of estimation uncertainty (continued)

46.4.1 Critical judgements in applying accounting policies (continued)

ii. Expected manner of realisation for deferred tax

Management have reviewed the investment property portfolio of the Group in order to determine the appropriate rate at which to measure deferred tax. Investment property is measured at fair value. The manner of recovery of the carrying amount, i.e., through use or sale, affects the determination of the deferred tax assets or liabilities. IFRS assumes that the carrying amount of investment property is recovered through sale rather than through continued use. Management considered the business model of the portfolio and concluded that the assumption is not rebutted and that the deferred taxation should be measured on the sale basis. Refer to Note 11.

iii. Deferred taxation

The Group recognises the net future tax benefit related to deferred income tax assets to the extent that it is probable that the deductible temporary differences will reverse in the foreseeable future. Assessing the recoverability of deferred income tax assets requires the Group to make significant estimates related to expectations of future taxable income. Estimates of future taxable income are based on forecasted cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Group to realise the net deferred tax assets recorded at the end of the reporting period could be affected. Refer to Note 11.

46.4.2 Key sources of estimation uncertainty

i. Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's history, existing market conditions as well as forward looking estimates at the end of each reporting period. For details of the key assumptions and inputs used, refer to the individual notes addressing financial assets. Refer to Note 9 and 10.

ii. Allowance for slow moving, damaged and obsolete inventory

Management assesses whether inventory is impaired by comparing its cost to its estimated net realisable value. Where an impairment is necessary, inventory items are written down to net realisable value. The write down is included in profit or loss.

In the Retail division of the Company an allowance is recognised against slow moving trade inventory at reporting date. The products are categorized into three categories: seasonal, perishable, and non-perishable. All items are provided for, up to a maximum of 50%. Seasonal and perishable products reach the 50% provision by month 24, while non-perishable products reach the 50% provision by the 48th month.

iii. Fair value estimation

Several assets and liabilities of the Group are either measured at fair value or disclosure is made of their fair values. Observable market data is used as inputs to the extent that it is available. Qualified external valuers are consulted for the determination of appropriate valuation techniques and inputs. Information about the specific techniques and inputs of the various assets and liabilities are disclosed in Note 42.

iv. Impairment testing (non-financial assets)

The Group reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. When such indicators exist, management determines the recoverable amount by performing value in use and fair value less cost of disposal calculations. These calculations require the use of estimates and assumptions. When it is not possible to determine the recoverable amount for an individual asset, management assesses the recoverable amount for the cash generating unit to which the asset belongs.

v. Useful life of property, plant and equipment

Management assesses the appropriateness of the useful life of property, plant and equipment at the end of each reporting period. The useful lives of motor vehicles, furniture and fittings, plant and machinery, office equipment and computer equipment are determined based on Group replacement policies for the various assets. Individual assets within these classes, which have a significant carrying amount are assessed separately to consider whether replacement will be necessary outside of normal replacement parameters. The useful life of property, plant and equipment is assessed annually based on factors including wear and tear, technological obsolescence, and usage requirements.

When the estimated useful life of an asset differs from previous estimates, the change is applied prospectively in the determination of the depreciation charge.

46.5 Investment property

Investment property is recognised as an asset when it is probable that the future economic benefits that are associated with the investment property will flow to the enterprise and the cost of the investment property can be measured reliably.

Investment property is initially recognised at cost. Transaction costs are included in the initial measurement.

BKB LIMITED AND ITS SUBSIDIARIES
(Registration number 1998/012435/06)
Annual Financial Statements for the year ended 30 June 2025

ACCOUNTING POLICIES

46.5 Investment property (continued)

Investment property in the Group comprises office buildings and land, which are held for long-term rental yields and development, and are not occupied by the Group. Investment property is carried at fair value, representing open market value determined on an annual basis by the board of directors.

Fair value is based on active market prices, adjusted if necessary for any difference in the nature, location or condition of the specific asset. If the information is not available, the Group uses alternative valuation methods such as recent prices in less active markets or discounted cash flow projections. Valuations are conducted triennially by an independent valuer. Changes in fair values are recorded in profit or loss.

46.6 Non-current assets (or disposal groups) held for sale and discontinued operations

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable, and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets (or disposal groups) held for sale are measured at the lower of their carrying amount and fair value less cost to sell.

A non-current asset is not depreciated (or amortised) while it is classified as held for sale, or while it is part of a disposal group classified as such.

Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale are recognised in profit or loss.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of derecognition.

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the statement of profit or loss and other comprehensive income.

The accounting and presentation of inter-company transactions between continuing and discontinued operations is determined by looking at the situation post-disposal to determine whether it is more appropriate to eliminate against the discontinued operation or the continuing business. The results of the discontinued operation will include only those costs and revenues that will be eliminated from the group on disposal.

46.7 Property, plant and equipment

Property, plant and equipment are tangible assets which the Group holds for its own use and which are expected to be used for more than one year.

An item of property, plant and equipment is recognised as an asset 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.

Property, plant and equipment is initially recognised at cost. Cost includes all the expenditure which is directly attributable to the acquisition or construction of the asset, including the capitalisation of borrowing costs on qualifying assets and adjustments in respect of hedge accounting, where appropriate. Thereafter property, plant and equipment is measured with reference to the cost of the asset less accumulated depreciation and accumulated impairments, except land and buildings which is subsequently measured at fair value.

Expenditure incurred subsequently for major maintenance and services, additions to or replacements of parts of property, plant and equipment is capitalised if it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost can be measured reliably. Day to day maintenance costs are included in profit or loss in the year in which they are incurred.

Land and buildings comprise offices, warehouses, industrial, residential and trading branch buildings. Any accumulated depreciation at the date of revaluation is set-off against the gross carrying amount of the asset and the net amount is adjusted to the revalued amount of the asset.

Revaluations of land and buildings are made with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting year. Revaluations are performed every three years on the Group's office building and fibre warehouse as well on its processing and packaging plant buildings. Trading branches as well as shearing and auction facilities are valued every five years as these are mostly in rural areas. Valuations are performed by an external, independent valuer.

Land and buildings are subsequently stated at revalued amount, being the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Any increase in carrying amount, as a result of a revaluation, is recognised in other comprehensive income and accumulated in the revaluation reserve in equity. The increase is recognised in profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss.

BKB LIMITED AND ITS SUBSIDIARIES
(Registration number 1998/012435/06)
Annual Financial Statements for the year ended 30 June 2025

ACCOUNTING POLICIES

46.7 Property, plant and equipment (continued)

Any decrease in carrying amount, as a result of a revaluation, is recognised in profit or loss in the current year. The decrease is recognised in other comprehensive income to the extent of any credit balance existing in the revaluation reserve in respect of that asset. The decrease recognised in other comprehensive income reduces the amount accumulated in the revaluation reserve in equity.

The revaluation reserve related to a specific item of land and buildings is transferred directly to retained income when the asset is derecognised.

Depreciation of an asset commences when the asset is available for use. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the Group. Leased assets are depreciated in a consistent manner over the shorter of their expected useful lives and the lease term. Depreciation is not charged to an asset if its estimated residual value exceeds or is equal to its carrying amount. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale or derecognised.

The useful life of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Land and buildings	Straight line	50 years
Plant and machinery	Straight line	5 - 20 years
Furniture and fixtures	Straight line	5 - 15 years
Motor vehicles	Straight line	4 - 7 years
Office equipment	Straight line	5 - 10 years
IT equipment	Straight line	2 - 5 years

The residual value, useful life and depreciation method of each asset is reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate. The directors consider the current values of properties to approximate their residual values.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation charge for each year is recognised in profit or loss.

Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in profit or loss to bring the carrying amount in line with the recoverable amount.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in profit or loss when the item is derecognised.

46.8 Intangible assets

- An intangible asset is recognised when:
- it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity, and
 - the cost of the asset can be measured reliably.

Intangible assets are initially recognised at cost.

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred. An intangible asset arising from development (or from the development phase of an internal project) is recognised when:

- it is technically feasible to complete the asset so that it will be available for use or sale.
- there is an intention to complete and use or sell it.
- there is an ability to use or sell it.
- it will generate probable future economic benefits.
- there are available technical, financial and other resources to complete the development and to use or sell the asset.
- the expenditure attributable to the asset during its development can be measured reliably.

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

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight-line basis over their useful life.

The amortisation period and the amortisation method for intangible assets are reviewed every period-end.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result, the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

BKB LIMITED AND ITS SUBSIDIARIES
(Registration number 1998/012435/06)
Annual Financial Statements for the year ended 30 June 2025

ACCOUNTING POLICIES

46.8 Intangible assets (continued)

Internally generated brands, customer lists and items similar in substance are not recognised as intangible assets.

Amortisation is provided to write down the intangible assets, on a straight-line basis, to their residual values as follows:

Item	Useful life
Patents, trademarks and other rights	5 - 20 years
Brand names	5 - 20 years
Client lists and relationships	5 - 20 years
Computer software	2 - 8 years

46.9 Financial instruments

Financial instruments held by the Group are classified in accordance with the provisions of IFRS 9 Financial Instruments.

The financial instruments held by the Group, based on their specific classifications, are set out in Note 41 Financial instruments and risk management.

The specific accounting policies for the classification, recognition and measurement of each type of financial instrument held by the Group are presented below:

46.9.1 Loans receivable at amortised cost

i. Classification

Loans to group companies (Note 9), loans to directors, managers and employees (Note 10 and 39), and loans receivable (Note 10) are classified as financial assets subsequently measured at amortised cost.

They have been classified in this manner because the contractual terms of these loans give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal outstanding, and the Group's business model is to collect the contractual cash flows on these loans.

ii. Recognition and measurement

Loans receivable are recognised when the Group becomes a party to the contractual provisions of the loan. The loans are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost.

The amortised cost is the amount recognised on the loan initially, minus principal repayments, plus cumulative interest using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

iii. Application of the effective interest method

Interest income is calculated using the effective interest method and is included in profit or loss in finance income (Note 28).

The application of the effective interest method to calculate interest income on a loan receivable is dependent on the credit risk of the loan as follows:

- The effective interest rate is applied to the gross carrying amount of the loan, provided the loan is not credit impaired. The gross carrying amount is the amortised cost before adjusting for a loss allowance.
- If a loan is purchased or originated as credit-impaired, then a credit-adjusted effective interest rate is applied to the amortised cost in the determination of interest. This treatment does not change over the life of the loan, even if it is no longer credit impaired.
- If a loan was not purchased or originally credit-impaired, but it has subsequently become credit-impaired, then the effective interest rate is applied to the amortised cost of the loan in the determination of interest. If, in subsequent periods, the loan is no longer credit impaired, then the interest calculation reverts to applying the effective interest rate to the gross carrying amount.

iv. Impairment

The Group recognises a loss allowance for expected credit losses on all loans receivable measured at amortised cost. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective loans.

The Group measures the loss allowance at an amount equal to lifetime expected credit losses (lifetime ECL) when there has been a significant increase in credit risk since initial recognition. If the credit risk on a loan has not increased significantly since initial recognition, then the loss allowance for that loan is measured at 12-month expected credit losses (12-month ECL).

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a loan. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a loan that are possible within 12 months after the reporting date.

BKB LIMITED AND ITS SUBSIDIARIES
(Registration number 1998/012435/06)
Annual Financial Statements for the year ended 30 June 2025

ACCOUNTING POLICIES

46.9 Financial instruments (continued)

46.9.1 Loans receivable at amortised cost (continued)

iv. Impairment (continued)

In order to assess whether to apply lifetime ECL or 12-month ECL, that is whether or not there has been a significant increase in credit risk since initial recognition, the Group considers whether there has been a significant increase in the risk of a default occurring since initial recognition rather than at evidence of a loan being credit impaired at the reporting date or of an actual default occurring.

v. Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default.

The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. The exposure at default is the gross carrying amount of the loan at the reporting date.

An impairment loss is recognised for all loans in profit or loss with a corresponding adjustment to their carrying amount through a loss allowance account. The impairment loss is included in impairment on financial assets in profit or loss (Note 27).

46.9.2 Trade and other receivables

i. Classification

Trade and other receivables, excluding VAT, deposits and prepayments, are classified as financial assets subsequently measured at amortised cost (Note 10). Trade and other receivables comprise trade debtors, producer advances and finance arrangements.

They have been classified in this manner because their contractual terms give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and the Group's business model is to collect the contractual cash flows on trade and other receivables.

ii. Recognition and measurement

Trade and other receivables are recognised when the Group becomes a party to the contractual provisions of the receivables. They are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost.

The amortised cost is the amount recognised on the receivable initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

iii. Application of the effective interest method

For receivables which contain a significant financing component, interest income is calculated using the effective interest method and is included in revenue as other revenue (Note 24).

The application of the effective interest method to calculate interest income on trade receivables is dependent on the credit risk of the receivable as follows:

- The effective interest rate is applied to the gross carrying amount of the receivable, provided the receivable is not credit impaired. The gross carrying amount is the amortised cost before adjusting for a loss allowance.
- If a receivable is purchased or originated as credit-impaired, then a credit-adjusted effective interest rate is applied to the amortised cost in the determination of interest. This treatment does not change over the life of the receivable, even if it is no longer credit impaired.
- If a receivable was not purchased or originally credit-impaired, but it has subsequently become credit-impaired, then the effective interest rate is applied to the amortised cost of the receivable in the determination of interest. If, in subsequent periods, the receivable is no longer credit impaired, then the interest calculation reverts to applying the effective interest rate to the gross carrying amount.

iv. Trade and other receivables denominated in foreign currencies

When trade and other receivables are denominated in a foreign currency, the carrying amount of the receivables is determined in the foreign currency. The carrying amount is then translated to the Rand equivalent using the spot rate at the end of each reporting period. Any resulting foreign exchange gains or losses are recognised in profit or loss.

Details of foreign currency risk exposure and the management thereof are provided under Note 41 Financial instruments and risk management.

BKB LIMITED AND ITS SUBSIDIARIES
(Registration number 1998/012435/06)
Annual Financial Statements for the year ended 30 June 2025

ACCOUNTING POLICIES

46.9 Financial instruments (continued)

46.9.2 Trade and other receivables (continued)

v. Impairment

The Group recognises a loss allowance for expected credit losses on trade and other receivables, excluding VAT and prepayments. The amount of expected credit losses is updated at each reporting date.

The Group measures the loss allowance by applying the three stage expected credit loss model to producer advances and employee loans. The simplified approach, which is presented by IFRS 9, is applied to all trade receivables.

vi. Measurement and recognition of expected credit losses

The Group makes use of a provision matrix as a practical expedient to the determination of expected credit losses on trade and other receivables. The provision matrix is based on historic credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current and forecast direction of conditions at the reporting date, including the time value of money, where appropriate. The loss allowance is calculated per segment for all trade and other receivables.

An impairment loss is recognised in profit or loss with a corresponding adjustment to the carrying amount of trade and other receivables, through use of a loss allowance account. The impairment loss is included in impairment on financial assets in profit or loss (Note 27).

46.9.3 Borrowings and loans from related parties

i. Classification

Loans from group companies (Note 21) and borrowings (Note 18) are classified as financial liabilities subsequently measured at amortised cost.

ii. Recognition and measurement

Borrowings and loans from related parties are recognised when the Group becomes a party to the contractual provisions of the loan. The loans are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Interest expense, calculated on the effective interest method, is included in profit or loss in finance costs (Note 29).

Borrowings expose the Group to liquidity risk and interest rate risk. Refer to Note 41 for details of risk exposure and management thereof.

iii. Loans denominated in foreign currencies

When borrowings are denominated in a foreign currency, the carrying amount of the loan is determined in the foreign currency. The carrying amount is then translated to the Rand equivalent using the spot rate at the end of each reporting period. Any resulting foreign exchange gains or losses are recognised in profit or loss.

Details of foreign currency risk exposure and the management thereof are provided in the specific loan notes and in Note 41 Financial instruments and risk management.

46.9.4 Trade and other payables

i. Classification

Trade and other payables (Note 20), excluding VAT and amounts received in advance, are classified as financial liabilities subsequently measured at amortised cost. Trade payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers.

ii. Recognition and measurement

They are recognised when the Group becomes a party to the contractual provisions, and are measured, at initial recognition, at fair value plus transaction costs.

They are subsequently measured at amortised cost using the effective interest method.

BKB LIMITED AND ITS SUBSIDIARIES
(Registration number 1998/012435/06)
Annual Financial Statements for the year ended 30 June 2025

ACCOUNTING POLICIES

46.9 Financial instruments (continued)

46.9.4 Trade and other payables (continued)

ii. Recognition and measurement (continued)

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

If trade and other payables contain a significant financing component, and the effective interest method results in the recognition of interest expense, then it is included in profit or loss in finance costs (Note 29).

Trade and other payables expose the Group to liquidity risk and possibly to interest rate risk. Refer to Note 41 for details of risk exposure and management thereof.

46.9.5 Financial liabilities at fair value through profit or loss

i. Classification

Financial liabilities which are held for trading are classified as financial liabilities measured at fair value through profit or loss. Refer to Note 42.

Financial liabilities which are held for trading, consisting of foreign exchange contracts and open positions on the South African Futures Exchange (SAFEX), are initially measured at fair value on contract date and are re-measured to fair value at subsequent reporting dates. Changes in the fair value of derivative financial instruments are recognised in profit or loss as they arise unless accounted for in terms of hedge accounting (refer to hedge accounting policy below).

When a financial liability is contingent consideration in a business combination, the Group classifies it as a financial liability at fair value through profit or loss. Refer to Note 42.

ii. Recognition and measurement

Financial liabilities at fair value through profit or loss are recognised when the Group becomes a party to the contractual provisions of the instrument. They are measured, at initial recognition and subsequently, at fair value. Transaction costs are recognised in profit or loss.

For financial liabilities designated at fair value through profit or loss, the portion of fair value adjustments which are attributable to changes in the Group's own credit risk, are recognised in other comprehensive income and accumulated in equity in the reserve for valuation of liabilities, rather than in profit or loss. However, if this treatment would create or enlarge an accounting mismatch in profit or loss, then that portion is also recognised in profit or loss.

Interest paid on financial liabilities at fair value through profit or loss is included in finance costs (Note 29).

iii. Financial liabilities denominated in foreign currencies

When a financial liability at fair value through profit or loss is denominated in a foreign currency, the fair value of the instrument is determined in the foreign currency. The fair value is then translated to the Rand equivalent using the spot rate at the end of each reporting period. Any resulting foreign exchange gains or losses are recognised as part of the fair value adjustment in profit or loss. To the extent that the foreign exchange gain or loss relates to the portion of the fair value adjustment recognised in other comprehensive income, that portion of foreign exchange gain or loss is included in the fair value adjustment recognised in other comprehensive income.

Details of foreign currency risk exposure and the management thereof are provided in Note 41 Financial instruments and risk management.

46.9.6 Cash and cash equivalents

Cash and cash equivalents are stated at carrying amount which is deemed to be fair value. For the purpose of presentation in the Statement of Cash Flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. The bank overdrafts form an integral part of the Group's cash management. Bank overdrafts are thus included as a component of cash and cash equivalents.

46.9.7 Bank overdrafts

Bank overdrafts are initially measured at fair value and are subsequently measured at amortised cost, using the effective interest rate method.

BKB LIMITED AND ITS SUBSIDIARIES
(Registration number 1998/012435/06)
Annual Financial Statements for the year ended 30 June 2025

ACCOUNTING POLICIES

46.9 Financial instruments (continued)

46.9.8 Derecognition

i. Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

ii. Financial liabilities

The Group derecognises financial liabilities when the Group obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

46.9.9 Reclassification

i. Financial assets

The Group only reclassifies affected financial assets if there is a change in the business model for managing financial assets. If a reclassification is necessary, it is applied prospectively from the reclassification date. Any previously stated gains, losses or interest are not restated.

The reclassification date is the beginning of the first reporting period following the change in business model which necessitates a reclassification.

ii. Financial liabilities

Financial liabilities are not reclassified.

46.9.10 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterpart.

46.9.11 Hedge accounting

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

At the inception of the hedge relationship, the Group documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. At the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk, which is when the hedging relationships meet all of the following hedge effectiveness requirements:

- there is an economic relationship between the hedged item and the hedging instrument;
- the effect of credit risk does not dominate the value changes that result from that economic relationship; and
- the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

If a hedging relationship ceases to meet the hedge effectiveness requirement relating to the hedge ratio but the risk management objective for that designated hedging relationship remains the same, the Group adjusts the hedge ratio of the hedging relationship so that it meets the qualifying criteria again.

The Group only designates the spot component of foreign currency forwards in hedge relationships. The spot component is determined with reference to relevant spot market exchange rates. The differential between the contracted forward rate and the spot market exchange rate is defined as the forward points. The forward points are recognised in profit or loss in other operating gains (losses) as it occurs.

The fair values of various derivative instruments used for hedging purposes and detail on movements in the hedging reserve are disclosed in the statement of changes in equity in the financial statements. The fair value of a hedging derivative is classified as a non-current asset or liability if the remaining maturity of the hedged item is more than 12 months after the reporting date and as a current asset or liability if the remaining maturity of the hedged item is less than 12 months from this date.

BKB LIMITED AND ITS SUBSIDIARIES
(Registration number 1998/012435/06)
Annual Financial Statements for the year ended 30 June 2025

ACCOUNTING POLICIES

46.9 Financial instruments (continued)

46.9.11 Hedge accounting (continued)

i. Cash flow hedges

Cash flow hedges cover the exposure to variability in cash flows due to foreign currency risk and commodity price risk associated with a recognised asset and/or a highly probable forecasted transaction. Cash flow hedging instruments are used to manage foreign exchange risks and commodity price risk and these instruments mainly comprise foreign exchange contracts and SAFEX open forward contracts.

The effective portion of changes in the fair value of qualifying hedging instruments that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated in equity, limited to the cumulative change in fair value of the hedged item from inception of the hedge. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss in other operating gains (losses).

Amounts previously recognised in other comprehensive income and accumulated in equity are reclassified to revenue in the statement of profit or loss in the periods when the hedged item affects profit or loss. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously recognised in other comprehensive income and accumulated in equity are removed from equity and included in the initial measurement of the cost of the non-financial asset or non-financial liability. This transfer does not affect other comprehensive income. Furthermore, if the Group expects that some or all of the loss accumulated in other comprehensive income will not be recovered in the future, that amount is immediately reclassified to profit or loss.

The Group discontinues hedge accounting only when the hedging relationship (or a part thereof) ceases to meet the qualifying criteria (after rebalancing, if applicable). This includes instances when the hedging instrument expires or is sold, terminated or exercised. The discontinuation is accounted for prospectively. Any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in profit or loss.

46.10 Tax

46.10.1 Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

46.10.2 Deferred tax assets and liabilities

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also 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 and does not give rise to equal taxable and deductible temporary differences. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

The deferred tax liability in relation to investment property that is measured at fair value is determined assuming the property will be recovered entirely through sale.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority.

Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

46.10.3 Tax expenses

Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from:

- a transaction or event which is recognised, in the same or a different period, to other comprehensive income, or
- a business combination.

Current tax and deferred taxes are charged or credited to other comprehensive income if the tax relates to items that are credited or charged, in the same or a different period, to other comprehensive income.

BKB LIMITED AND ITS SUBSIDIARIES
(Registration number 1998/012435/06)
Annual Financial Statements for the year ended 30 June 2025

ACCOUNTING POLICIES

46.10 Tax (continued)

46.10.3 Tax expenses (continued)

Current tax and deferred taxes are charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or a different period, directly in equity.

46.11 Leases

The Group leases offices, warehouses, retail stores, equipment and forklifts. Rental contracts are typically made for fixed periods of two to nineteen years, but may have extension options as described below.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of property for which the Group is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

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

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, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the Group under residual value guarantees; and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

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

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

- To determine the incremental borrowing rate, the Group:
- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received;

The Group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

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

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

Right-of-use assets are stated at cost less depreciation and impairments. Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life. While the Group revalued its land and buildings that are presented within property, plant and equipment, it has chosen not to do so for the right-of-use buildings held by the Group.

Payments associated with short-term leases of equipment and vehicles, and all 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 comprise IT equipment and small items of office equipment.

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

46.12 Inventories

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

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

BKB LIMITED AND ITS SUBSIDIARIES
(Registration number 1998/012435/06)
Annual Financial Statements for the year ended 30 June 2025

ACCOUNTING POLICIES

46.12 Inventories (continued)

The cost of wholesale inventories is stated at the actual cost of purchase of such inventories, or net realisable value, if lower. The cost of manufactured inventories are as follows:

- Raw Materials: Actual cost determined on a first-in-first-out basis.
- Finished Goods and Work-in-progress: Raw materials, direct labour, other direct costs and related production overheads (based on normal capacity).

Trading stock is generally determined on a weighted average basis and includes transportation and handling charges.

When inventories are sold the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

46.13 Impairment of assets

The Group assesses at each end of the reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the Group estimates the recoverable amount of the asset.

- Irrespective of whether there is any indication of impairment, at the end of each financial year the Group also:
- tests intangible assets with an indefinite useful life or intangible assets not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount.
 - tests goodwill acquired in a business combination for impairment.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use. If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss. An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss. Any impairment loss of a revalued asset is treated as a revaluation decrease.

Goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units or groups of units.

Each unit or group of units to which the goodwill is so allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes and is not larger than an operating segment as defined by paragraph 5 of IFRS 8 Operating Segments before aggregation.

- An impairment loss is recognised for cash-generating units if the recoverable amount of the unit is less than the carrying amount of the unit. The impairment loss is allocated to reduce the carrying amount of the assets of the unit in the following order:
- first, to reduce the carrying amount of any goodwill allocated to the cash-generating unit and
 - then, to the other assets of the unit, pro rata on the basis of the carrying amount of each asset in the unit.

The Group assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets other than goodwill may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

The increased carrying amount of an asset other than goodwill attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss on assets carried at cost less accumulated depreciation or amortisation other than goodwill is recognised immediately in profit or loss. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

46.14 Share capital and equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Ordinary shares are classified as equity. Ordinary shares are recognised at par value and classified as 'share capital' in equity. Any amounts received from the issue of shares in excess of par value is classified as 'share premium' in equity.

Shares issued at below fair value to conclude BEE transactions, where control over the counterparty was not present, are accounted for in profit or loss at the difference between the fair value of the shares and the issue price. A BEE reserve, included in non-distributable reserves, is credited in the statement of financial position.

If the Group reacquires its own equity instruments, the consideration paid, including any directly attributable incremental costs (net of income taxes) on those treasury shares is deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any consideration paid or received shall be recognised directly in equity.

BKB LIMITED AND ITS SUBSIDIARIES
(Registration number 1998/012435/06)
Annual Financial Statements for the year ended 30 June 2025

ACCOUNTING POLICIES

46.14 Share capital and equity (continued)

Treasury shares are shares in BKB Limited that are held by the BKB Beperk Personeel Aandele Trust for the purpose of issuing shares under the BKB Limited employee share scheme. Where such shares are subsequently sold or re-issued, treasury shares are credited with the cost of the shares, the difference between the consideration received and the cost of these shares is accounted for in share premium.

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

46.15 Other reserves

The nature and purpose of other reserves.

46.15.1 Reserve on revaluation of properties

The property, plant and equipment revaluation surplus is used to record increments and decrements on the revaluation of land and buildings. In the event of a sale of an asset, any balance in the reserve in relation to the asset is transferred to retained earnings.

46.15.2 Hedging reserve

The hedging reserve includes the cash flow hedge reserve and the costs of hedging reserve. The cash flow hedge reserve is used to recognise the effective portion of gains or losses on derivatives that are designated and qualify as cash flow hedges. Amounts are subsequently either transferred to the initial cost of inventory or reclassified to profit or loss as appropriate. The Group defers the changes in the forward element of forward contracts and the time value of option contracts in the costs of hedging reserve. These deferred costs of hedging are included in the initial cost of the related inventory when it is recognised.

46.15.3 Foreign currency translation reserve

The results and financial position of foreign operations (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:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position,
- income and expenses for each statement of profit or loss and statement of comprehensive income are translated at average exchange rates (unless this 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 dates of the transactions), and
- all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings, are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

46.15.4 Share based payment reserve

- The share-based payments reserve is used to recognise:
- the grant date fair value of options issued to employees but not exercised
 - the grant date fair value of shares issued to employees
 - the grant date fair value of deferred shares granted to employees but not yet vested
 - the issue of shares held by the BKB Beperk Personeel Aandele Trust to employees.

The Group operates an equity-settled share-based payment compensation plan. The fair value of bonus shares and performance shares granted to Group directors and senior executives are recognised as an employee expense with a corresponding increase in equity. The fair value is measured at grant date and expensed over the period during which the employee becomes unconditionally entitled to the equity instruments. The fair value of the instruments granted is measured using generally accepted valuation techniques, considering the terms and conditions upon which the instruments are granted excluding the impact of non-market vesting conditions.

Fair value is measured using the Monte-Carlo option pricing models where applicable. The expected life used in the models has been adjusted, based on management's best estimate, for the effects of behavioral considerations such as volatility, dividend yield and the vesting period. The fair value considers the terms and conditions on which these incentives are granted and the extent to which the employees have rendered service to the reporting date.

Non-market vesting conditions are included in assumptions about the number of shares that are expected to vest. At each reporting date, the entity revises its estimates of the number of shares that are expected to vest. It recognises the impact of the revision of original estimates, if any, for equity-settled share-based payments, in the income statement, with a corresponding adjustment to equity.

The grant by the Company of 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 of equity instruments granted, 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. The Group's net vesting impact on the vesting of share-based payment obligations is transferred to retained earnings within the statement of changes in equity.

BKB LIMITED AND ITS SUBSIDIARIES
(Registration number 1998/012435/06)
Annual Financial Statements for the year ended 30 June 2025

ACCOUNTING POLICIES

46.15 Other reserves (continued)

46.15.5 Non-controlling interest

This reserve is used to record the differences which may arise as a result of transactions with non-controlling interests that do not result in a loss of control.

46.16 Employee benefits

46.16.1 Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of profit sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

46.16.2 Defined contribution plans

The Group provides retirement and income protection benefits through a defined contribution plan for all of its permanent employees. The plan is administered separately from the Group and is governed by the Pension Funds Act.

A defined contribution plan is a pension plan into which the Group pays fixed contributions into a separate entity (a Fund) and will have no legal or constructive obligations to pay further contributions if the fund does not have sufficient assets to pay all employees' benefits relating to employee service in the current and prior periods.

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

46.17 Provisions and contingencies

- Provisions are recognised when:
- the Group has a present obligation as a result of a past event;
 - it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
 - a reliable estimate can be made of the obligation.

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement shall be recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement shall be treated as a separate asset. The amount recognised for the reimbursement shall not exceed the amount of the provision.

Provisions are not recognised for future operating losses.

If an entity has a contract that is onerous, the present obligation under the contract shall be recognised and measured as a provision.

- After their initial recognition contingent liabilities recognised in business combinations that are recognised separately are subsequently measured at the higher of:
- the amount that would be recognised as a provision; and
 - the amount initially recognised less cumulative amortisation.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in Note 22.

46.18 Government grants

- Government grants are recognised when there is reasonable assurance that:
- the Group will comply with the conditions attaching to them; and
 - the grants will be received.

Government grants related to assets, including non-monetary grants at fair value, are presented in the statement of financial position as a reduction of the carrying amount of the asset, which results in reduced depreciation expense. Refer to Note 2.

BKB LIMITED AND ITS SUBSIDIARIES
(Registration number 1998/012435/06)
Annual Financial Statements for the year ended 30 June 2025

ACCOUNTING POLICIES

46.19 Revenue

Revenue is measured at the fair value of the consideration received or receivable and represents the amount receivable for goods and services provided in the normal course of business, net of trade discounts, volume rebates and value added tax.

Revenue from contracts with customers is measured based on the consideration specified in a contract and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control of a product or service to a customer.

- The Group recognises revenue from the following major sources:
- Sale of goods - Wholesale (Fibre, Grain and Sugar)
 - Sale of goods - Retail and fuel
 - Rendering of services (Fibre, Retail and Grain)
 - Commission received (Fibre, Livestock auctioneering, Property transactions and Grain)

- Other Revenue
- Rental income
 - Interest income

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

46.19.1 Sale of goods - wholesale

For sales of goods to the wholesale market, revenue is recognised when control of the goods has transferred, being when the goods have been shipped to the wholesaler's specific location. Following delivery, the wholesaler has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility when on selling the goods and bears the risks of obsolescence and loss in relation to the goods. A receivable is recognised by the Group when the goods are delivered/shipped to the wholesaler as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due. No element of financing is deemed present as the sales are made in terms of credit terms, which are consistent with market practice.

- Sale of wholesale goods comprises:
- Sale of processed maize and related products
 - Margin on grain and related commodities
 - Sale of lucerne and hay products (discontinued operations)
 - Sale of surplus grain, upgrades and downgrades
 - Sale of raisins (discontinued operations)
 - Sale of sugar and related products
 - Sale of wool and mohair

46.19.2 Sale of goods – retail and fuel

The Group sells goods directly to customers through its own retail outlets. Revenue is recognised at a point in time for sale of goods.

For sale of goods to retail customers, revenue is recognised when control of the goods has transferred, being at the point the customer purchases the goods at the retail outlet. Payment of the transaction price is due immediately at the point the customer purchases the goods or based on credit terms negotiated for account holding customers. A receivable is recognised for account holding customers. No financing element is recognised as the payment terms are less than 6 months.

46.19.3 Rendering of services

Income is recognised at an amount that reflects the consideration to which the Group expects to become entitled for providing services to a customer. Income is measured based on the consideration specified in the contract with the customer and excludes amounts collected on behalf of third parties. The Group recognises revenue over time as the service is provided to a customer.

- Rendering of services comprises:
- Handling, pressing and storage of wool and mohair
 - Handling and storage of grain
 - Shearing of animals
 - Delivery of goods

46.19.4 Commission received

Commission income is recognised at an amount that reflects the consideration to which the Group expects to become entitled for providing services to a customer as an agent. Income is measured based on the consideration specified in the contract with the customer and excludes amounts collected on behalf of third parties. The Group recognises revenue at a point in time when the service is provided to a customer.

BKB LIMITED AND ITS SUBSIDIARIES
(Registration number 1998/012435/06)
Annual Financial Statements for the year ended 30 June 2025

ACCOUNTING POLICIES

46.19 Revenue (continued)

46.19.4 Commission received (continued)

- Commission received comprises:
- Commission on brokerage of wool and mohair
 - Commission on sale of livestock, agricultural products and implements
 - Commission on sale of residential (urban and rural), commercial and farm properties

46.19.5 Rental income

The investment properties, residential properties and surplus space are leased to tenants under operating leases with rentals payable monthly. Lease income from operating leases where the Group is a lessor is recognised in income on a straight-line basis over the lease term.

46.19.6 Interest income

Interest income is recognised on a time-proportion basis using the effective interest method. Interest received from debtors is included in revenue.

46.20 Dividends received

Dividends received on equity investments are recognised in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

Dividend income is recognised when the right to receive payment is established.

46.21 Dividends paid

Dividend distributions to the Company's shareholders are recognised as a liability in the Company's financial statements in the period in which the dividends are approved.

46.22 Cost of sales

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories arising from an increase in net realisable value, is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

- The related costs of providing services recognised as revenue in the current period is included in cost of sales. Contract costs comprise:
- costs that relate directly to the specific contract;
 - costs that are attributable to contract activity in general and can be allocated to the contract; and
 - such other costs as are specifically chargeable to the customer under the terms of the contract.

Cost of sales is reduced by the amount recognised in inventory as a "right to return goods asset" which represents the Group right to recover products from customers where customers exercise their right of return under the Group returns policy.

46.23 Borrowing costs

- Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset until such time as the asset is ready for its intended use. The amount of borrowing costs eligible for capitalisation is determined as follows:
- Actual borrowing costs on funds specifically borrowed for the purpose of obtaining a qualifying asset less any temporary investment of those borrowings.
 - Weighted average of the borrowing costs applicable to the entity on funds generally borrowed for the purpose of obtaining a qualifying asset. The borrowing costs capitalised do not exceed the total borrowing costs incurred.

- The capitalisation of borrowing costs commences when:
- expenditures for the asset have occurred;
 - borrowing costs have been incurred, and
 - activities that are necessary to prepare the asset for its intended use or sale are in progress.

Capitalisation is suspended during extended periods in which active development is interrupted.

Capitalisation ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

BKB LIMITED AND ITS SUBSIDIARIES
(Registration number 1998/012435/06)
Annual Financial Statements for the year ended 30 June 2025

ACCOUNTING POLICIES

46.24 Translation of foreign currencies

46.24.1 Foreign currency transactions

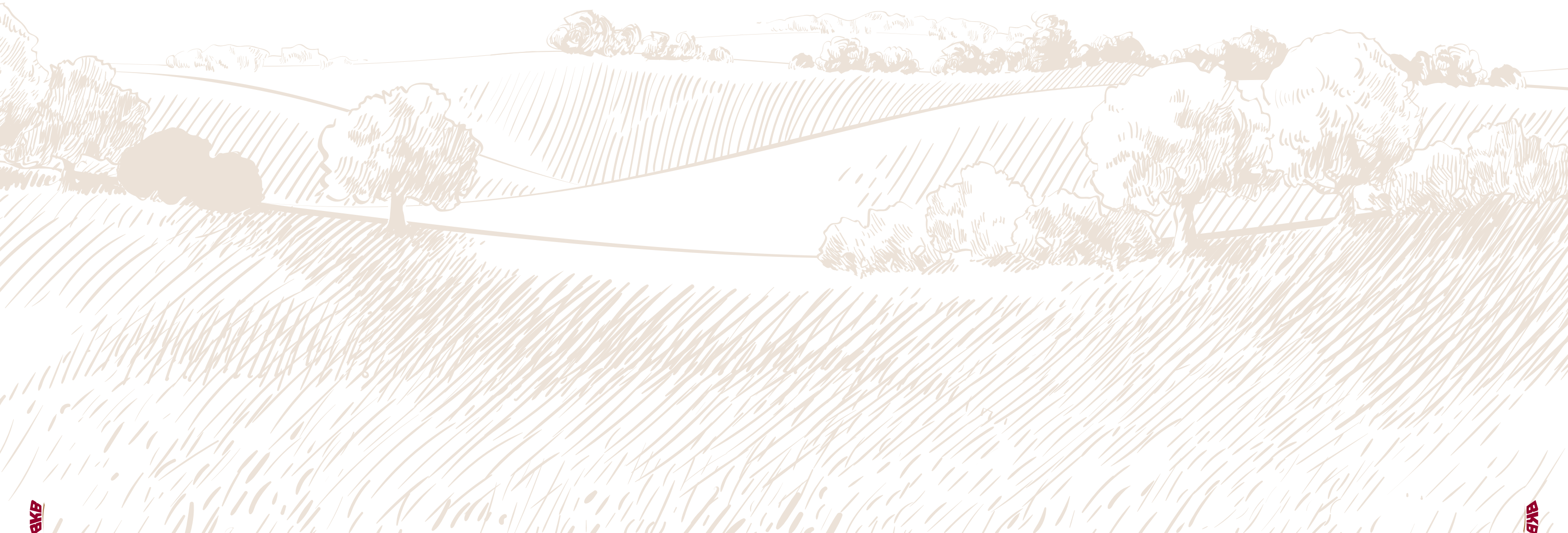
A foreign currency transaction is recorded on initial recognition in Rands by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.


- At the end of the reporting period:
- foreign currency monetary items are translated using the closing rate;
 - non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
 - non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements are recognised in profit or loss in the period in which they arise.

When a gain or loss on a non-monetary item is recognised to other comprehensive income and accumulated in equity, any exchange component of that gain or loss is recognised to other comprehensive income and accumulated in equity. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

Cash flows arising from transactions in a foreign currency are recorded in Rands by applying to the foreign currency amount the exchange rate between the Rand and the foreign currency at the date of the cash flow.

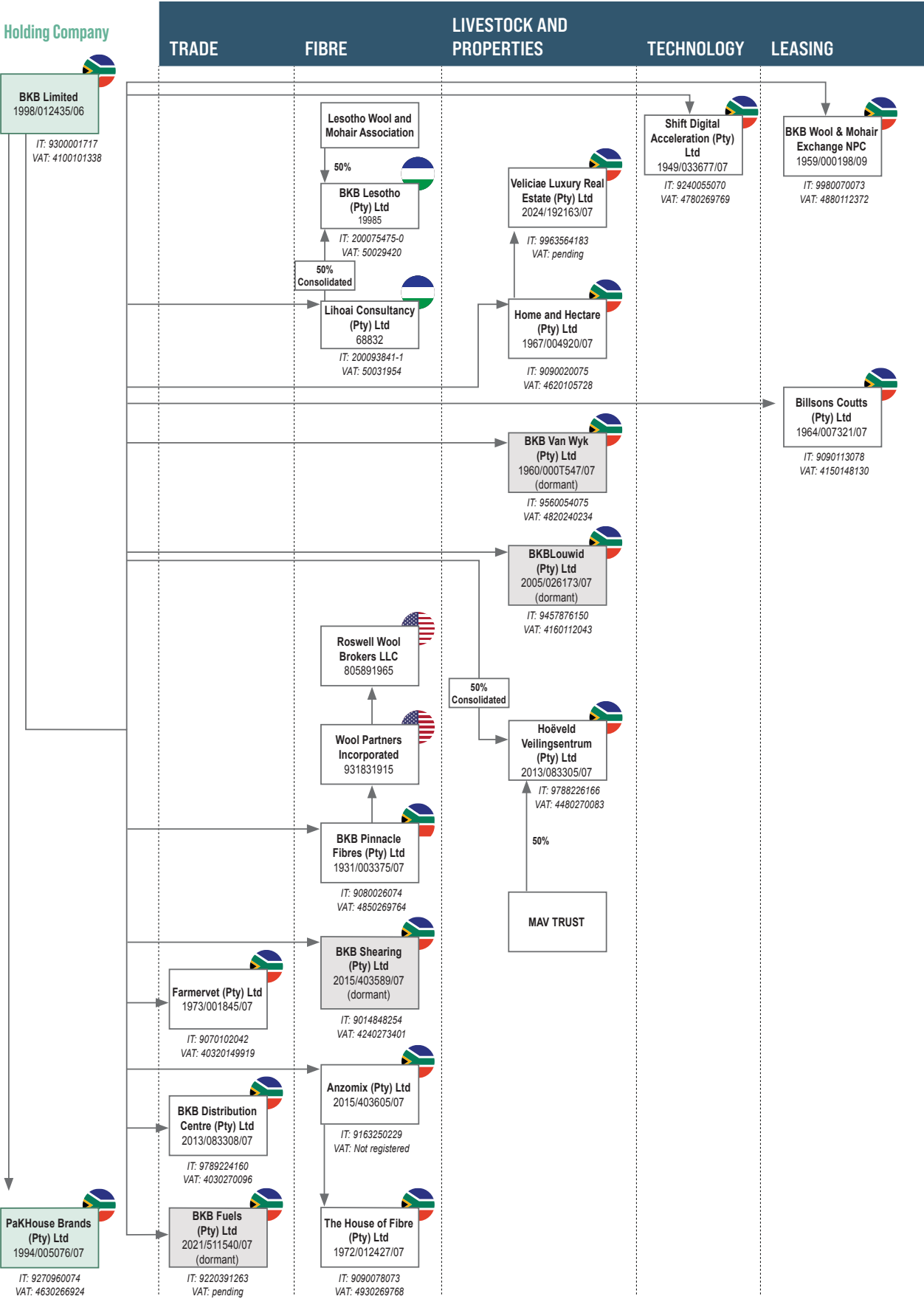




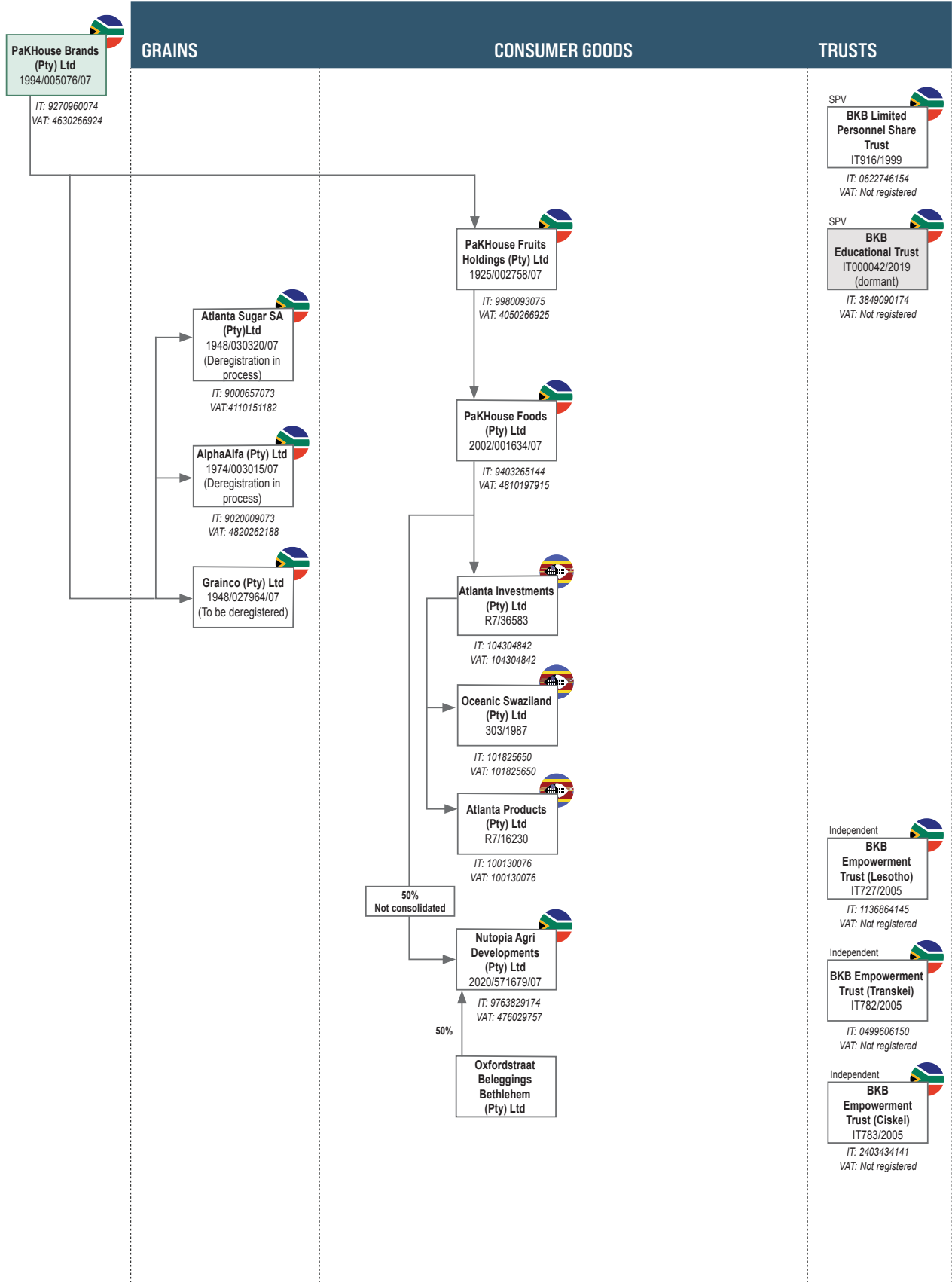
Appendix A: Group subsidiaries and structure

BKB Group structure

for the year ended 30 June 2025



BKB Group structure (continued)



Subsidiaries

The following table lists the entities which are controlled by the Group, either directly or indirectly through subsidiaries.

INVESTMENT IN SUBSIDIARIES	ISSUED SHARE CAPITAL (NUMBER OF SHARES)	INTEREST	DATE OF INCORPORATION
BKB Shearing (Pty) Ltd	120	100%	17/11/2015
Lihoai Consultancy (Pty) Ltd	1 000	100%	23/09/2019
BKB Lesotho (Pty) Ltd	1 000	50%	03/04/2018
Anzomix (Pty) Ltd	120	100%	17/11/2015
The House of Fibre (Pty) Ltd	1 000	100%	14/11/1972
BKB Pinnacle Fibres (Pty) Ltd	6 631	100%	08/09/1931
BKB Fuels (Pty) Ltd	74	100%	30/03/2021
BKB Distribution Centre (Pty) Ltd	100	100%	22/05/2013
Farmervet (Pty) Ltd	1 000	100%	15/02/1973
Home & Hectare (Pty) Ltd	200	100%	11/05/1967
Veliciae Luxury Real Estate (Pty) Ltd	100	100%	09/04/2024
BKBLouwid (Pty) Ltd	100	100%	26/07/2005
BKB Van Wyk (Pty) Ltd	720	100%	15/02/1960
Hoëveld Veilingsentrum (Pty) Ltd	100	50%	22/05/2013
Shift Digital Acceleration (Pty) Ltd	2 000	100%	20/05/1949
Wool & Mohair Exchange of South Africa NPC	n/a	100%	22/01/1959
Billsons Coutts (Pty) Ltd	1 000	100%	28/09/1964
PaKHouse Brands (Pty) Ltd	178 025	100%	13/07/1994
Atlanta Sugar SA (Pty) Ltd (Deregistration in process)	12 000 Ordinary shares 5 000 Preference shares	100%	01/07/1948
Atlanta Investments (Pty) Ltd	2 000	100%	08/05/2012
Atlanta Products (Pty) Ltd	100	100%	07/02/2000
Oceanic Swaziland (Pty) Ltd	100	100%	28/07/1987
Grainco Group Holdings (Pty) Ltd (Deregistered 2/9/2024)			26/05/2004
AlphaAlfa (Pty) Ltd (Deregistration in process)	23 722 500	100%	25/09/1974
Grainco (Pty) Ltd	33 252 190	100%	03/01/1948
PaKHouse Fruits Holdings (Pty) Ltd	14 400	100%	27/05/1925
PaKHouse Foods (Pty) Ltd	16 040	100%	28/01/2002
<i>Investments in Associates</i>			
Bethlehem Veilingskrale (Pty) Ltd	100	50%	11/04/1997
Nutopia Agri Developments (Pty) Ltd	200	50%	22/07/2020
Wool Partners Inc	1 000	100%	09/06/2023
Roswell Wool Brokers LLC	n/a	100%	21/02/2025

Appendix B: Shareholding

Shareholding

at 30 June 2025

TYPE	NAME	DIRECT SHARES	INDIRECT SHARES	TOTAL SHARES	% OF SHARES	INDIRECT SHAREHOLDING DETAILS
Member with more than 5% shares	VKB Beleggings (Pty) Ltd	26 746 908	0	26 746 908	30.415	
Member with more than 5% shares	BKB Beperk Personeel Aandeletrust	9 488 847	0	9 488 847	10.790	
Member with more than 5% shares	The BKB Empowerment Trust (Transkei)	4 861 216	0	4 861 216	5.527	
Member with more than 5% shares	The BKB Empowerment Trust (Ciskei)	4 861 216	0	4 861 216	5.527	
Total		46 726 320	0	46 726 320	52.850	
Executive directors	Du Toit AS	66 050	0	66 050	0.075	
Executive directors	Stumpf JE	235 786	0	235 786	0.268	
Executive directors	Van Niekerk JA	91 253	0	91 253	0.104	
Non-executive directors	Fick CF	0	24 078	24 078	0.027	Fick & Seun Beleggings (Pty) Ltd – 24 078 shares
Non-executive directors	Hobson CD	0	0	0	0.000	
Non-executive directors	Janse van Rensburg JF	0	0	0	0.000	
Non-executive directors	Kingwill GEJ	0	111 350	111 350	0.127	Geoff Kingwill Family Trust
Non-executive directors	Louw JG	0	0	0	0.000	
Non-executive directors	Meyer EA	0	388 567	388 567	0.442	Montane Farms (Pty) Ltd
Non-executive directors	Zondi TP	0	0	0	0.000	
Non-executive directors	Pillay V	3 130	0	3 130	0.004	
Non-executive directors	Staple HC	0	0	0	0.000	
Total		396 219	523 995	920 214	1.046	

Total shares on register: **87 938 125**