



Integrated Report 2024

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The story of where you come from is told by your DNA. The information it contains, provides direction to the rest of the body, guiding all the parts in working together to continue life. It's the only one of its kind. It determines what you do and why you do it. It's the building block for your existence. The coming together of things to form something better.

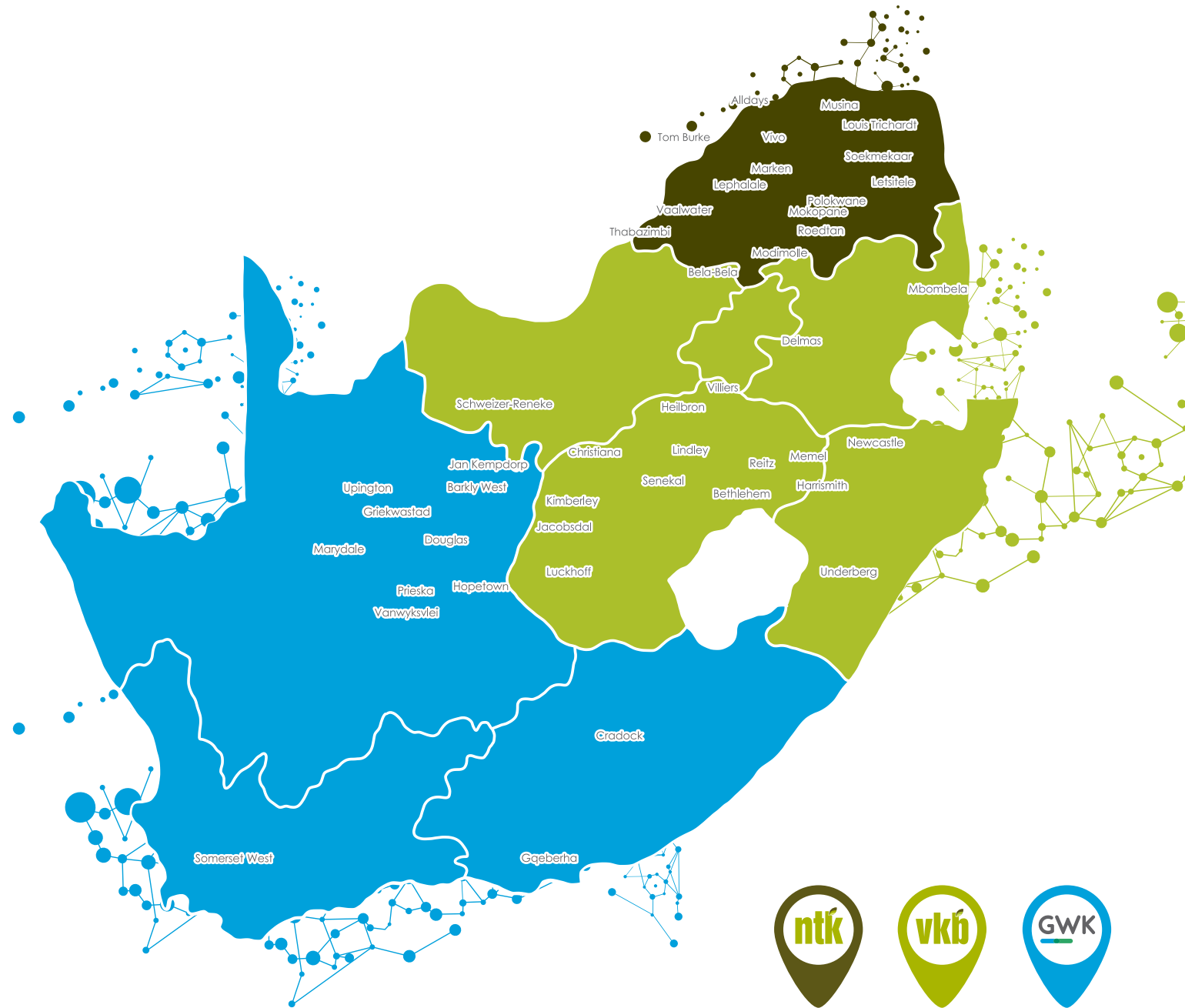
The VKB Group's DNA is locked up in all the people driving the company forward: those who are bold in their decision making, hungry for finding solutions, humble in the way they act, and smart about how everything fits together. Together, as a team.

They are the building blocks, the DNA, of a stable foundation.



Geographical Footprint

Commercial branches	64
Trade depots	9
Distribution centres	3
Mechanisation branches	13
Irrigation branches	11
Grain facilities	35
Filling stations	10
Fuel retail outlets	53
Tyre outlets	8
Transmission	2
Packaging plants	2
Seed processing plant	1
Cold storage	2
Fertiliser mixing plant	1
Precision agronomic services	1
Insurance	19
Maize mills	4
Maize meal depots	12
Wheat mills	2
Pasta plant	1
Broiler abattoir	1
Animal feed factories	2
Soya bean crushing plant	1
VKB Foods	6
Grocery shops	2
Kiosks	2



VKB Group:

Five-year overview

Note:

Ratios were adjusted to 12 months, where applicable.



CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	2020 12 months R'm	2021 12 months R'm	2022 12 months R'm	2023 12 months R'm	2024 12 months R'm
Sales	11 660	12 474	16 393	21 561	25 936
Operating profit	624	516	709	931	983
Results of associates	11	24	43	33	28
Finance cost	(284)	(213)	(196)	(333)	(613)
Other non-operating profit/(loss)	(0)	0	0	(0)	463
Investment income	6	8	6	14	44
Profit before incentive discount	356	334	562	645	905
Incentive discount	(210)	(248)	(330)	(371)	(387)
Profit before tax	146	86	232	274	518
Tax	(46)	(21)	29	(60)	1
Profit after tax	100	65	261	213	519
Incentive discount	210	248	330	371	387
Dividends declared Class 2 preference shares	20	25	30	-	-
Dividend rate Class 2 preference shares	1,27%	1,50%	1,65%	0,00%	0,00%
Dividend rate Class 4 preference shares	4,00%	4,00%	4,00%	4,00%	7,00%

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Non-current assets	2 662	2 907	3 020	3 085	4 468
Current assets	5 436	5 822	7 080	8 050	10 684
Total assets	8 098	8 729	10 100	11 135	15 152
Share capital	2 019	2 139	2 354	2 579	2 810
Reserves	464	470	704	813	1 550
Minority interest	82	85	121	156	143
Total equity	2 566	2 694	3 179	3 548	4 502
Non-current liabilities	612	530	809	768	1 531
Current liabilities	4 920	5 506	6 112	6 819	9 119
Total equity and liabilities	8 098	8 729	10 100	11 135	15 152

PROFITABILITY AND PRODUCTIVITY

Return on total assets	8%	6%	8%	9%	10%
Return on shareholders' equity	14%	12%	18%	18%	20%
Asset turnover ratio (number of times)	1,55	1,44	1,89	2,12	1,92
Operating profit as % of income	5%	4%	4%	4%	4%

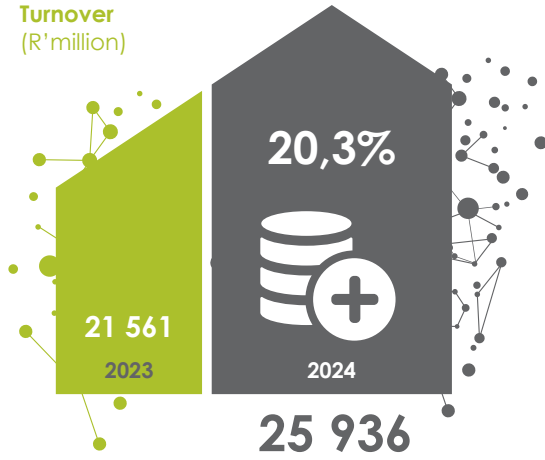
SOLVENCY AND LIQUIDITY

Own capital ratio	32%	31%	31%	32%	30%
Total assets to total liabilities	1,46	1,45	1,46	1,47	1,42
Percentage interest-bearing capital	50%	51%	48%	48%	52%
Interest cover (number of times)	2,25	2,57	3,87	2,93	2,48
Operating capital ratio	1,10	1,06	1,16	1,18	1,17
Acid test ratio	0,85	0,79	0,88	0,94	0,80

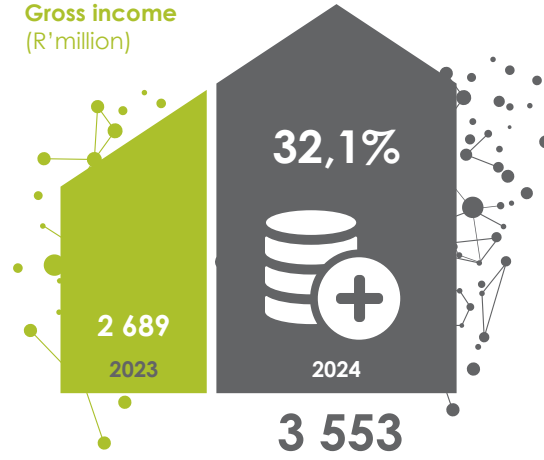


Financial Highlights

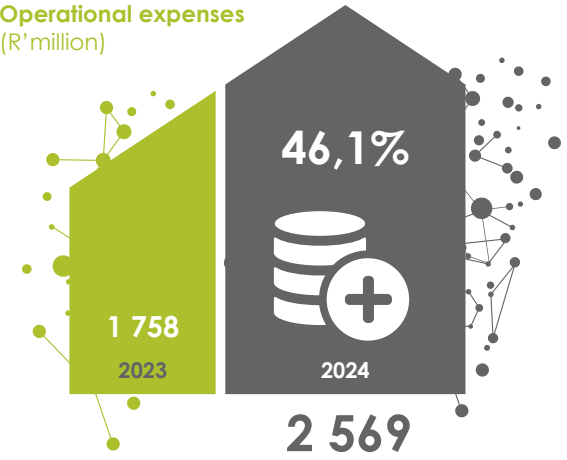
Turnover (R'million)



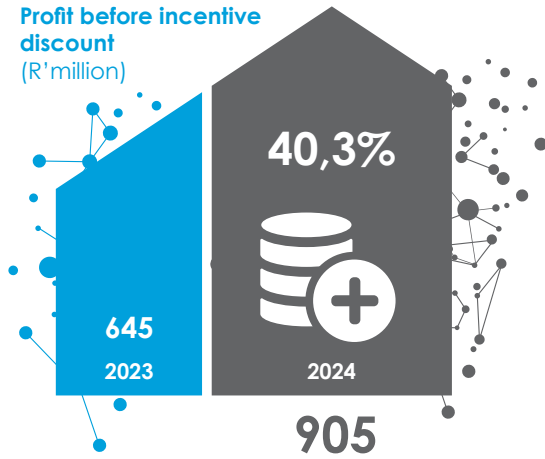
Gross income (R'million)



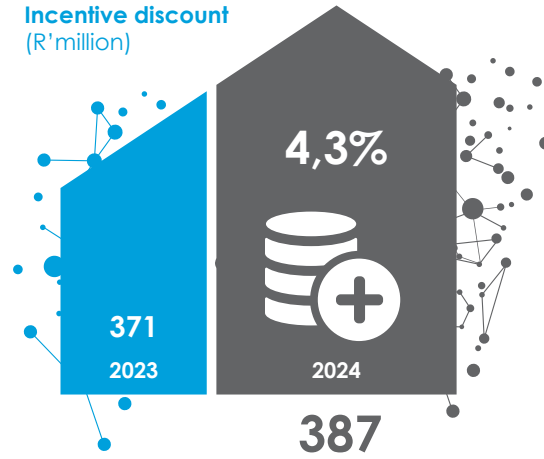
Operational expenses (R'million)



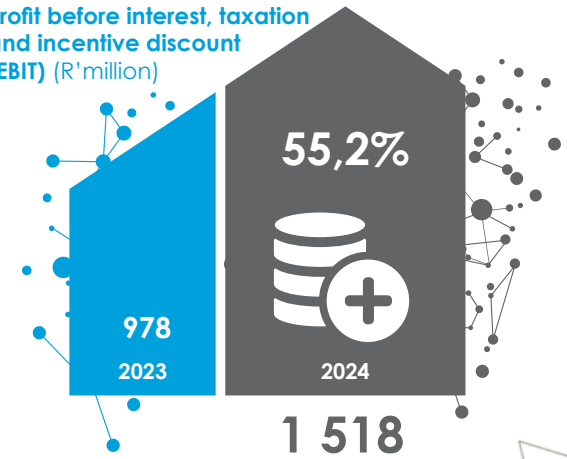
Profit before incentive discount (R'million)



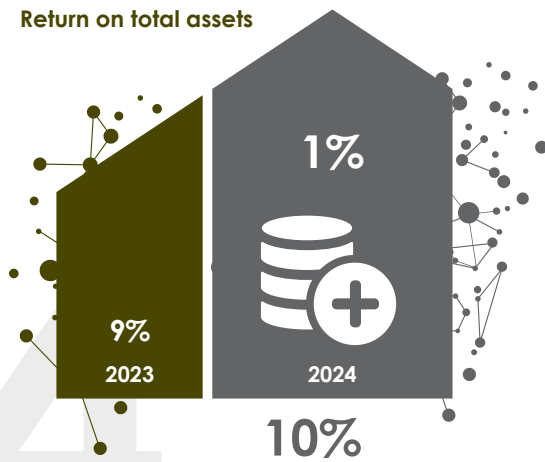
Incentive discount (R'million)



Profit before interest, taxation and incentive discount (EBIT) (R'million)

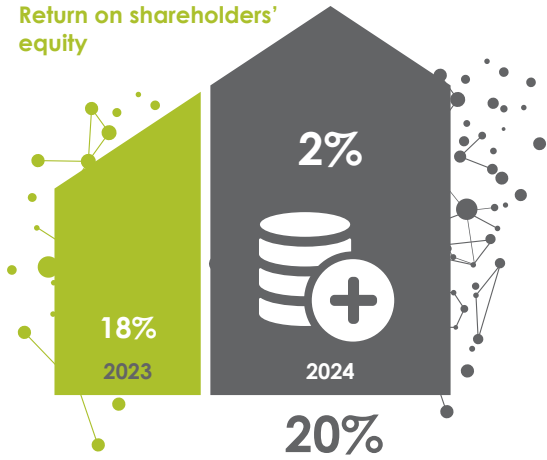


Return on total assets

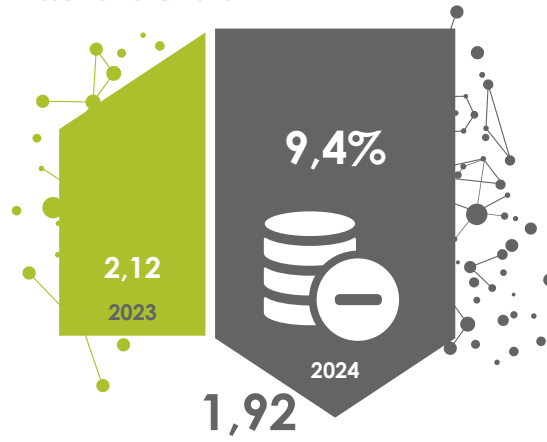


Financial Highlights

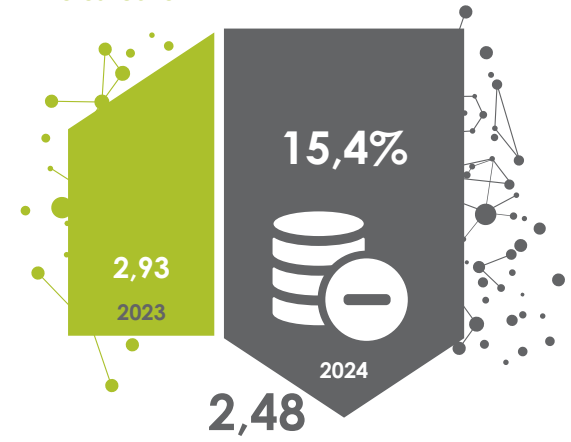
Return on shareholders' equity



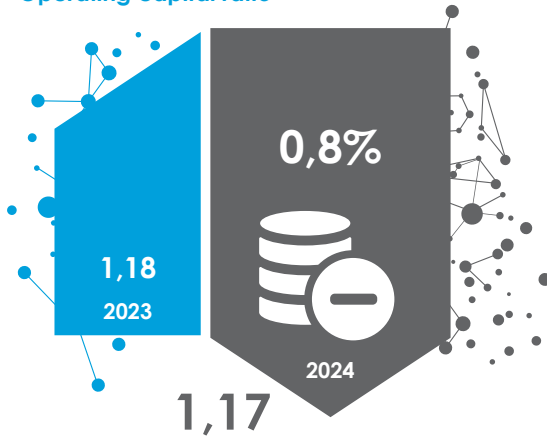
Asset turnover ratio



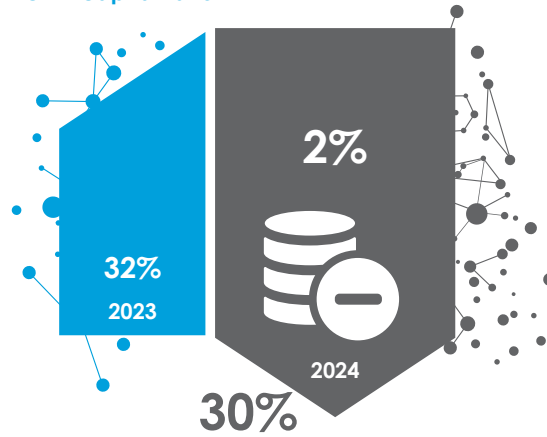
Interest cover



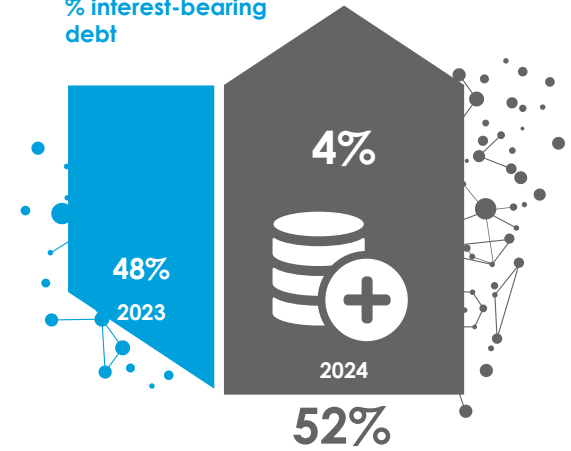
Operating capital ratio



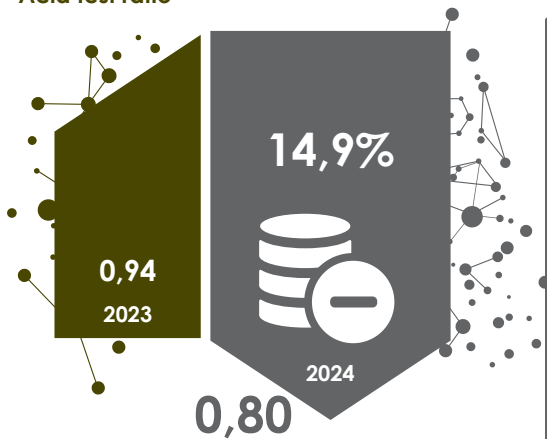
Own capital ratio



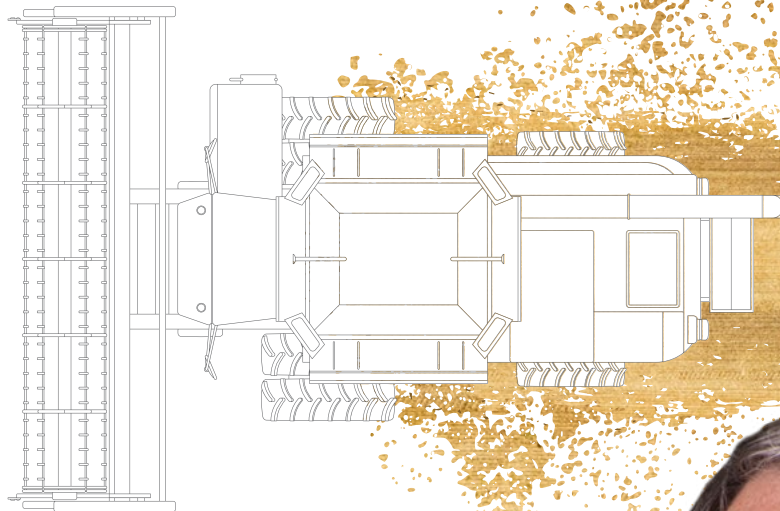
% interest-bearing debt



Acid test ratio



Message to our **SHAREHOLDERS**



Thank you for the privilege of sharing some thoughts with you after a successful and exciting year for the VKB Group ("VKB/the Group").

South Africa, which remains one of the three largest economies in Africa, is currently experiencing several changes and challenges on a wide front, which is well known. The effect of globalisation also causes geopolitical events to increase volatility in the economy, thereby disrupting value chains and increasing volatility and unpredictability in markets and creating new risks.

The management of the country leaves much to be desired, and fails to create an optimal environment for growth and progress. Load shedding and dysfunctional and inadequate infrastructure (ports, railways, roads and municipalities) are examples of this, with effects that we see and experience daily. Climate risks and avian influenza bring further risks. The rapidly changing technological environment brings with it complexity and disruption. VKB and its shareholders are directly affected by these factors, and major changes and adjustments are the order of the day.

All of these factors complicate business, including for VKB, and have the potential to distract business focus due to the additional burden of dealing with and addressing matters that are not the responsibility of the business. The current situation is unlikely to change and we will have to adapt to it. The preservation and betterment of the environment in which we operate, are increasingly becoming a more urgent responsibility for all of us.

Ample reason, however, still exists to be positive and enthusiastic. South Africa remains the most important economic gateway to Africa, which will probably experience the biggest growth in the coming decades. The growth will create exciting opportunities, especially for the agricultural sector, but also for the financial, manufacturing and other sectors. Fewer trade restrictions apply in Africa, which promote the flow of products and services. Our country's diverse population is also an asset and makes us adaptable and resilient to take the lead and pursue opportunities. The energy crisis will accelerate privatisation, further bolstering growth. New technology and more effective communication make business easier. VKB and our producers must be ready and strategically positioned to utilise growth opportunities, especially with regard to the export of agricultural products and services.



The 2023/24 financial year has been a good year, given the circumstances. Reasonable harvests despite extreme climatic conditions contributed to good results for our core operations. The VKB Agri Processors Group did not perform well, mainly due to the impact of avian influenza, load shedding, a strike, as well as extreme pressure on consumer spending. Grain Field Chickens (Pty) Ltd and Free State Oil (Pty) Ltd specifically experienced very difficult trading conditions.

Internal matters that had to be dealt with during this year included investigations and restructuring of business units not performing satisfactorily, among others VKB Auction Centre (Pty) Ltd, Multi Green (Pty) Ltd, QPro Feeds (Pty) Ltd Bethlehem ("QPro Feeds") and the bakeries. This resulted in the sale of the auction centre, closure of the bakeries and restructuring. Indications of improved performance are already evident at Multi Green (Pty) Ltd and QPro Feeds.

A positive development, and one that received much attention during this period, was the approval and implementation of the merger with GWK Ltd and the subsequent integration process, which included:

- Restructuring of VKB Beleggings (Pty) Ltd's Board of Directors, Executive Management and management structures.
- Composition of operational teams.
- Integration of systems, policies and procedures.
- Group structure, including a financing platform for the Group (Group Treasury Function).
- Roadshows for employees.
- Integration of Conditions of Service of employees.
- Visits to clients to regain business.

Other important matters that have been dealt with include:

- The decision not to proceed with the BKB Ltd grain transaction, although VKB still owns shareholding in BKB Ltd.
- Establishing and developing excellent and efficient channels for clients to ensure that VKB remains their preferred supplier and offtaker.
- Focus on staff and commitment levels as well as training and development.
- Reviewing the Group strategy.
- Upgrading of various facilities.

The Board and Management are engaged in a comprehensive strategic planning process that will guide us on the way forward. We are confident that the resulting direction will continue to effectively navigate VKB through rough waters to build on our proud legacy.

The main focus for the new year is:

- Stabilisation of the business.
- Growth in core business where it makes good business sense.
- Clients and service of core customer needs – we cannot be everything to everyone.
- Further building our relationships with all stakeholders.
- Constantly attracting and developing outstanding talent.
- Proactive management of risks.
- Focus on effectiveness and sustainability.

I would like to thank our 5 108 shareholders for their continued support and loyalty. Producers and farming operations are still the reason for VKB's existence, and VKB is desirous to earn your business. We welcome constructive communication and criticism, and undertake to meet your fair expectations throughout.

Thank you also to all VKB's suppliers, clients and business partners for your support.

To the Board of Directors – thank you for excellent guidance and insight as well as great teamwork. Thank you also for the successful integration of the Board with GWK Ltd, which went very smoothly.

I would like to express my gratitude and appreciation to PG and the Management Team for your skilful guidance and extremely professional approach. To VKB's 7 178 staff members, we would like to express our deep gratitude for your dedication to make VKB and all its business units the agricultural company of the future.

To our Heavenly Father who, through His power at work in us, can do infinitely more than we ask or think, all the glory is due.



COENRAAD FICK
Chairperson: VKB Group



Strategic and operational overview

Our Purpose, Values and Legacy

The VKB Group's purpose is to impact lives positively: the lives of our customers, our shareholders, employees and the communities in which we conduct our business. To do this, we must support but also inspire and lead. Our winning behaviours are to be humble, hardworking, great with people, being bold in terms of doing what is needed, and working as a team. This is part of our DNA, and our legacy is "For the Love of the Land", meaning the betterment of lives, of communities, and the natural environment all of us are responsible for.

OUR STRATEGY

To live our purpose and legacy, our strategy is structured into three phases that are likely to span a 10-year period. The three phases are:

1. Stabilise the Foundation,
2. Strengthen the Foundation, and
3. Renewed and Sustainable Growth.

For the purposes of this report, I will focus on Phase 1, *Stabilise the Foundation*, and the progress we made during the period under review.

The core elements of Phase 1 consist of employee engagement, driving efficiency, driving innovation, serving the customer, and driving sustainable profitability.

The intended financial outcomes are a more robust balance sheet that can withstand significant and unexpected setbacks, as well as improved cash flow. The stabilisation of the VKB Group is likely to extend until the end of 2026.

EXECUTION AND RESULTS

The 2023/24 financial year was challenging and impacted by various external and internal factors. Unfavourable rainfall in key areas, avian influenza, as well as turmoil in global and domestic market conditions resulted in production, price and supply volatility. The Group experienced challenging labour relations at specific agriprocessing assets, culminating in a labour strike. However, the Group proved that it can be extremely resourceful and agile, and we are thankful to report that these challenges were met with innovative solutions and ultimately bridged.

The execution of our strategy gained momentum through meticulous review of all VKB Group operations. Key decisions were made to either continue with operations or shut down some operations or initiatives. Outcomes include the closure of the bakery

division as part of VKB Milling (Pty) Ltd, and the restructuring of QPro Feeds (Pty) Ltd (our animal feed production facility) and Multi Green (Pty) Ltd (our fertiliser mixing plant). The merging of certain divisions with BKB Ltd was also set aside, although the VKB Group retains its share in BKB Ltd.

One of the key strategic points of execution was the merger between the GWK and VKB Groups on 30 May 2023. Although planning of the merger commenced before this date, once approval was granted, it was time for action. This included the creation of a VKB/GWK Integration Committee that meets on a monthly basis, the reconstitution of the VKB Beleggings (Pty) Ltd Board of Directors and the VKB Group Executive Management team, the combination and restructuring of functions and teams, the review and restructuring of business processes and systems, commencement of the creation of a financing platform for the combined group, intensive stakeholder communication, including employee roadshows during August 2023 to convey the plan of execution to employees, as well as the review and standardisation of employment conditions within the combined group. A prudent process was followed throughout, resulting in significant positive momentum on the merger, with real value already materialising in various parts of the business.

In terms of financial results, the Group's own capital ratio decreased with 1% following the merger with GWK Ltd ("GWK"), which included an R80 million capitalisation of the erstwhile GWK shareholders' separate mechanisation business in terms of the merger agreement with GWK. The Group ended the financial year with a lower-than-budgeted profit. The main factors driving the lower-than-budgeted profit include unfavourable rainfall in various production areas, significant cost increases following commodity price volatility, farming input cost increases, and the impact of load shedding and avian influenza. The negative impact, specifically of the latter factors, on the direct costs of the VKB Agri Processors Group amounted to R130 million, with a direct negative impact on the Group's bottom line.

Business units that performed well include GWK Farm Foods (Pty) Ltd, GWK Trading Division, GWK Agri Division, VKB Milling (Pty) Ltd, VKB Fuels (Pty) Ltd, Crown Bag (Pty) Ltd (our facility producing bags for potatoes, flour and other food items, as well as charcoal bags), VKB Grain Division, VKB Landbou (Pty) Ltd (including Mechanisation, Retail and Financing), VKB Brokers (Pty) Ltd, Bethal Koelkamers (Pty) Ltd (our seed potato cold storage facility) and Farmpack (Pty) Ltd (our packaging material facility serving the agricultural and business sector).

Areas of concern in terms of performance include Multi Green Pty (Ltd) and the QPro Feeds (Pty) Ltd facility in Bethlehem. Action was taken to improve performance, and

first indications are that both businesses have turned the corner. We remain optimistic that these two businesses will achieve positive results during the 2024/25 financial year. Although Grain Field Chickens (Pty) Ltd and Free State Oil (Pty) Ltd (our soya bean processing facility) experienced difficult trading conditions during the 2023/24 financial year, indications are that market conditions are improving and that both businesses should post better results during the 2024/25 financial year.

KEY FOCAL AREAS FOR 2024/25

With the revised strategy in place and a focus on relentless and meticulous execution, I wish to highlight priorities for the new financial year:

- Continuous improvement of customer service levels and employee engagement levels.
- Continuation of the process to merge the GWK and VKB Groups.
- Continuous improvement of the Group's balance sheet and cash flow position.
- Continuous improvement in efficiencies and capital allocation.

CONCLUSION AND ACKNOWLEDGEMENTS

The year 2023/24 was challenging, but it was also a very exciting year for the VKB Group. We executed well on various priorities as part of the revised strategy, with some of the steps we have taken already starting to yield benefits for the Group. The VKB team will remain focused on execution while managing the ever-changing and extremely volatile domestic and international environment.

I wish to thank our customers for your continued business with the VKB Group, our shareholders for your continued support, our employees for your "never-give-up" attitude and willingness to walk the extra mile when needed, the VKB Board for its leadership, our management teams for taking on the challenges and motivating, supporting and leading as required, our suppliers and other key stakeholders for supporting our business, and the communities in which we conduct our business – thank you for allowing us into your communities and trusting us to make a difference in your lives. Above all, all praise be to Him.



PG STRAUSS
Managing Director: VKB Group



Financial overview

for the year ending 31 March 2024

Following the record results of the previous year, the VKB Group ("VKB") had a challenging year, but still managed to achieve fair results. The effective date of the merger with the GWK Group was 31 May 2023, implicating that ten months of the GWK Group's results are included in the consolidated figures. The merger resulted in accounting entries that include a technical gain according to prescribed accounting principles as well as several impairments that were done within the Group. The reported profit before tax and incentive discount was R905 million, distorted by the merger entries. The operational/normalised profit before tax for the VKB Group was R608 million compared to the R630 million (excluding GWK Ltd ["GWK"]) profit before tax for the previous year.

The **VKB Landbou Group** built on the good results of the previous couple of years, with almost all the divisions and subsidiaries performing exceptionally well. Only Multi Green (Pty) Ltd recorded a loss for the year following the restructuring of the business.

The **VKB Agri Processors** Group experienced a good year in terms of production capacities but was negatively impacted by avian influenza, the closure of the bakeries, volatile markets, a labour strike, and load shedding. Consequently, the VKB Agri Processors Group ended on a profit before tax of R14 million compared to the previous year's R91 million profit.

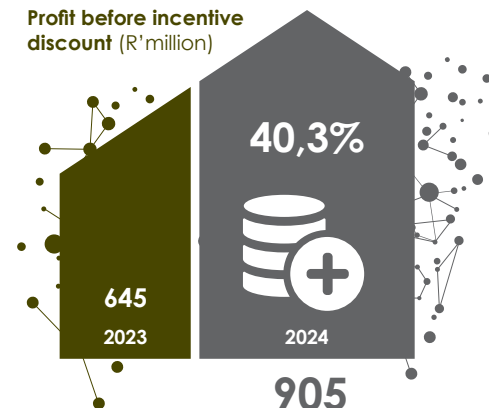
The **GWK Group** delivered an outstanding operational performance for the ten months following the merger with VKB, with a normalised profit of R136 million. The Group was able to take advantage of favourable trading and marketing opportunities to optimise margin realisation and effective cost management. This performance mitigated the impact of lower commodity volumes due to weather conditions and macro-economic challenges, such as higher interest rates and higher inflation, load shedding, and global and local supply chain challenges.

GROUP RESULTS

For the financial year ending 31 March 2024, VKB's consolidated net profit before tax and incentive discount amounted to R905 million, compared to the previous year's R645 million.

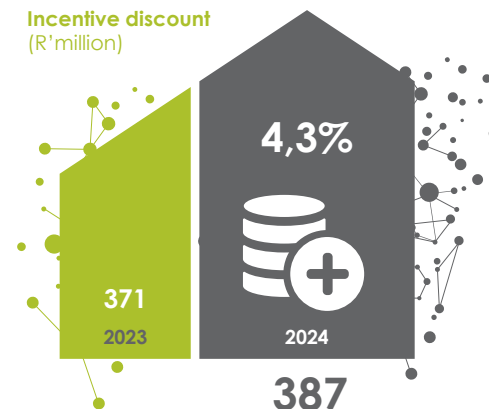
Table 1: Profit/(loss) before tax of VKB's divisional groups for the past two years

Division	Profit/(Loss) 2023 (R)	Profit/(Loss) 2024 (R)
VKB Beleggings (Pty) Ltd (holding company)	42 million	32 million
VKB Landbou Group	497 million	426 million
VKB Agri Processors Group	91 million	14 million
GWK Group		136 million
Normalised profit	630 million	608 million
Merger entries		246 million
(Profit)/loss on discontinued operations	15 million	51 million
Profit before tax in Annual Financial Statements	645 million	905 million



INCENTIVE DISCOUNT

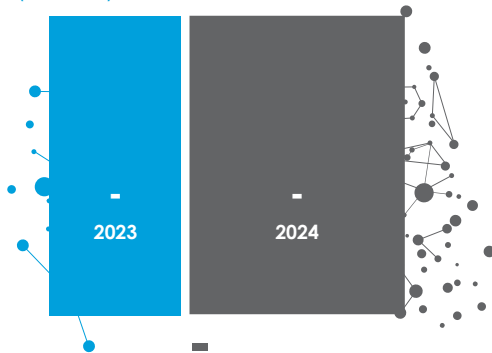
Given the excellent performance of VKB Landbou (Pty) Ltd and its subsidiaries, the Board of Directors approved the allocation of R370 million (R360 million from VKB Landbou [Pty] Ltd and R10 million from VKB Brokers [Pty] Ltd) as incentive discount to clients (mainly producers and shareholders of VKB Beleggings [Pty] Ltd ["VKB Beleggings"]). GWK and GWK Welvaart Prosperity (Pty) Ltd also declared incentive discounts to the value of R17,5 million to its clients. Incentive discounts are awarded from the profits generated by VKB Landbou (Pty) Ltd, GWK Ltd, VKB Brokers (Pty) Ltd and GWK Welvaart Prosperity (Pty) Ltd, while dividends are declared from profits generated by other entities within the VKB Group. The incentive discounts are based on clients' pro rata participation in the business activities with the relevant entities and divisions during the past year. The total incentive discounts declared by VKB to its clients over the past ten years amount to R2 699 million.



DIVIDENDS DECLARED

Dividends are declared by entities within the VKB Group to its shareholders, which include the holding companies of the three divisions, namely VKB Landbou (Pty) Ltd, VKB Agri Processors (Pty) Ltd and GWK. These three companies declare dividends to its shareholders, including VKB Beleggings, and VKB Beleggings in turn declares dividends to its shareholders, being the agricultural producers. The total dividends declared and paid by VKB Beleggings to its shareholders since inception of dividend payments amount to R207 million, excluding the incentive discounts as mentioned above. During the 2023/24 financial year, the Board of VKB Beleggings decided not to declare any dividends to its shareholders (except for the dividend on Class 4 preference shares) as part of the strategy to improve balance sheet ratios.

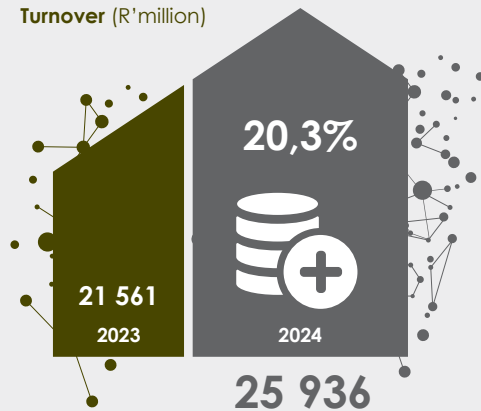
Dividends declared (R'million)



OPERATIONAL RESULTS

VKB's turnover of R25,9 billion represents an increase of 20% compared to the previous year. The merger with GWK added significantly to the increase in turnover. In contrast to the previous year, commodity prices decreased and had a negative impact on the Group's turnover.

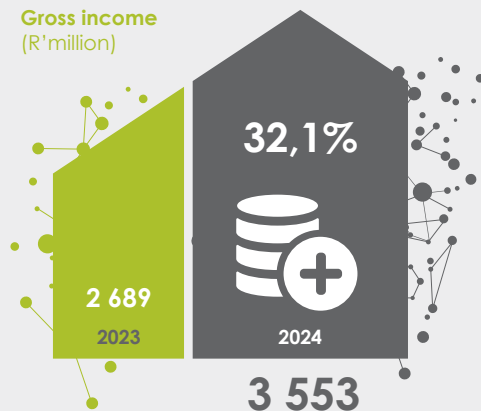
Turnover (R'million)



GROSS INCOME

Gross income also increased as a result of the merger. Margins were under pressure due to significant cost increases and volatile commodity prices, specifically in the VKB Agri Processors Group.

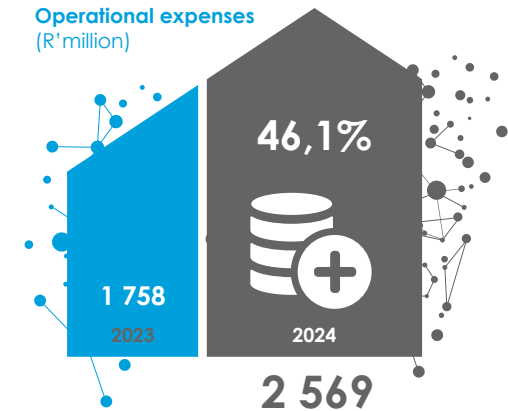
Gross income (R'million)



OPERATIONAL EXPENSES

Although expenses are managed well, the additional costs incurred during the year under review because of avian influenza, load shedding and the labour strike had a huge impact on operational expenses.

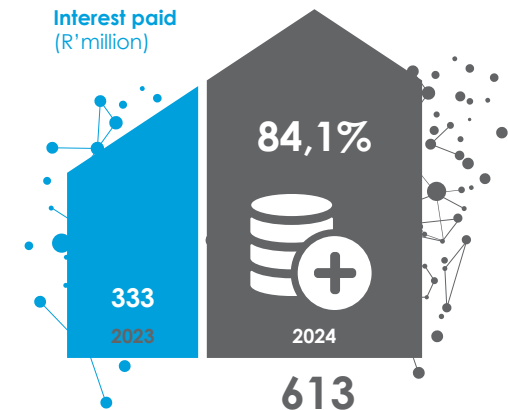
Operational expenses (R'million)



INTEREST PAID

The effect of higher interest rates during the year under review is evident from Chart 7. The increase in agricultural input costs and the resulting increase in debtors also contributed to the increase in interest paid. Operating capital is financed by creditors, overdraft facilities and own funds. On the other hand, investments in fixed assets are funded mainly with term loans.

Interest paid (R'million)

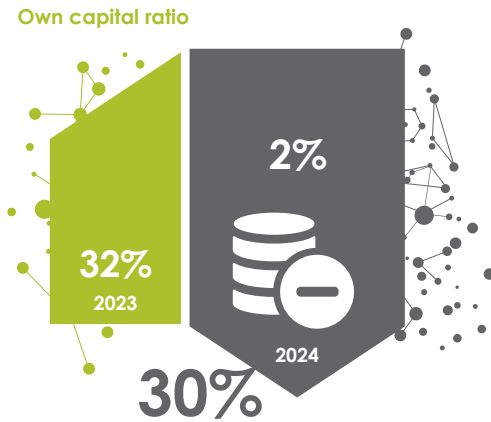


continued... Financial overview for the year ending 31 March 2024

CAPITAL RESOURCES

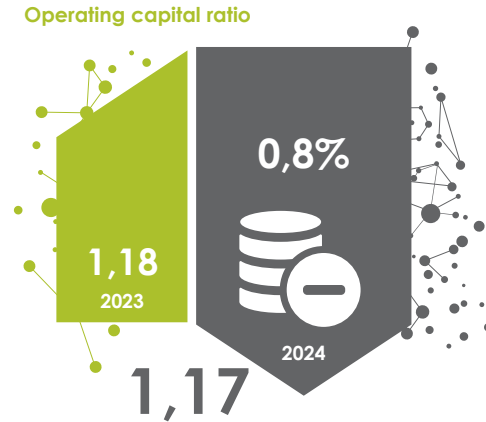
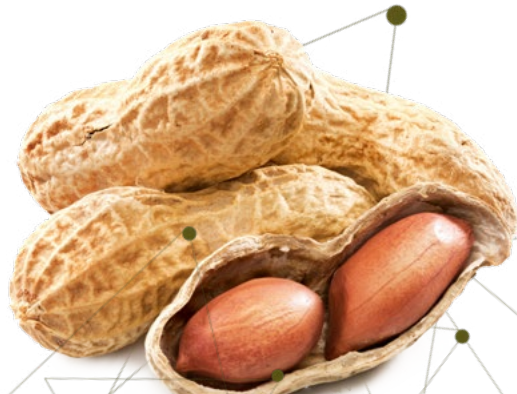
The chart illustrates the own-capital-to-total-capital ratio of the VKB Group. VKB's deliberate growth strategy over the past years required major capital investments, which temporarily distorted the capital ratio. During the year under review, the ratio was negatively impacted by the merger with GWK, who's own capital ratio is well below that of the VKB Group. The decrease in the Group's normalised profits also had a negative impact on the ratio. The short-term target for this ratio remains at 35%.

Investment in capital projects and expansions is done selectively and within conservative balance sheet ratios.



OPERATING CAPITAL AND LIQUIDITY RATIOS

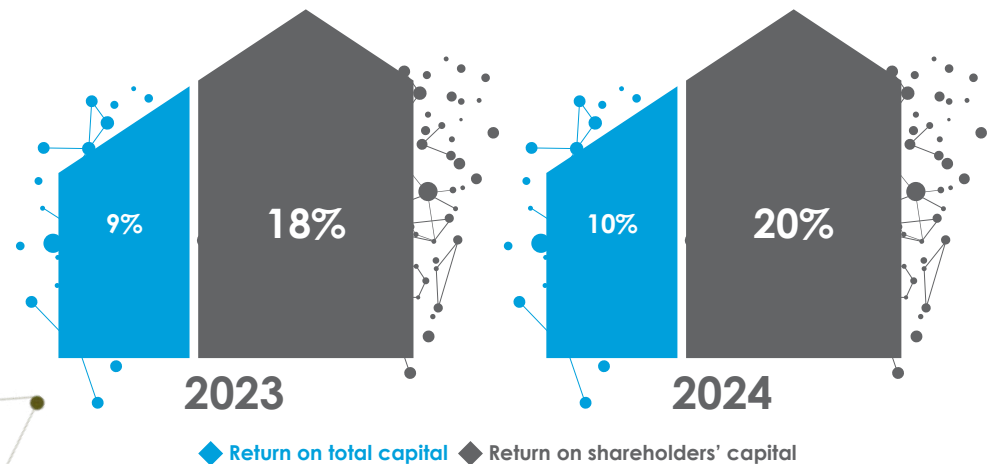
Optimum levels of operating capital are maintained and VKB's liquidity is currently at a healthy level. Agricultural debtors, which mostly consist of production financing for cultivation of the summer crop, reach its peak in February, having an adverse effect on the operating capital ratio and the own capital ratio, specifically at year end.



RETURN ON TOTAL AND SHAREHOLDERS' CAPITAL

The return on total and shareholders' capital recovered significantly in 2022 and 2023, mainly due to the increased profits realised. The accounting entries resulting from the merger with GWK had a positive effect on the 2024 returns. The cash flow impact of the merger with GWK was minimal. VKB is committed to its diversification strategy, although it is challenging to maintain the profitability levels of all the entities within the Group. No major capital-intensive investments were made during the past year and only some minor projects were undertaken. The Group requires the return on all capital investments to be higher than the average return on total capital.

The return on total and shareholders' capital is satisfactory, although VKB will always strive to improve on the performance. The return compares well to the industry and to the economy, confirming that VKB is utilising its borrowed funds productively.



SUSTAINABILITY

VKB strives to manage all its business activities as profitably and effectively as possible, even during challenging economic times. VKB's statement of financial position is structured conservatively. Investments in new operations are pursued only if the projected results meet certain predetermined returns and requirements, and if there is synergy with existing operations that will contribute to the competitive advantage of the new business. In view of the above, the enterprise is optimally positioned to perform sustainably in the long term.



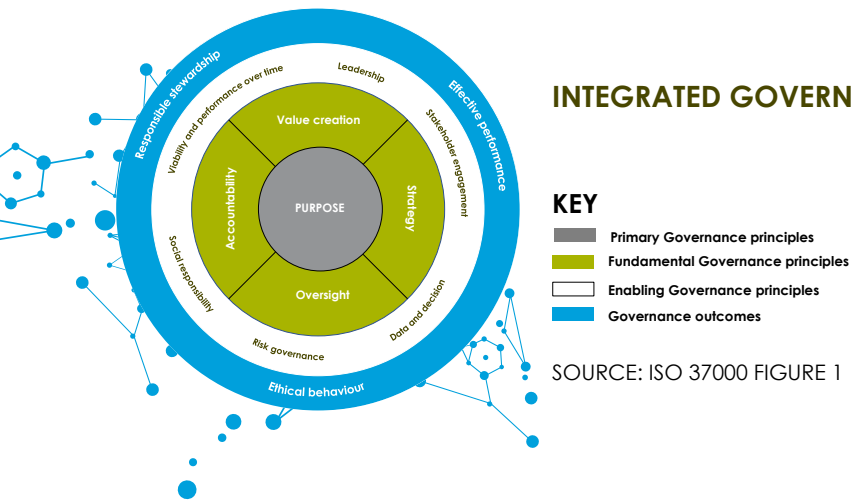
MARKUS MITTERMAIER
Executive Director: Finance VKB Group

Corporate Governance report

COMMITMENT AND APPROACH

The VKB Group ("VKB") is committed to responsible corporate citizenship and effective corporate governance. VKB's operations are conducted in accordance with a Code of Ethics underpinning the Group's ethics, culture and values.

The Boards of Directors of the various entities within VKB are the focal point of VKB's corporate governance and are responsible to all stakeholders for the effective and ethical operation and performance of the enterprise. A corporate culture of compliance with legislation, policies and procedures is fostered within VKB. VKB has a Whistle-blowing Policy to identify malpractices, combat corruption and theft, and to protect persons reporting irregularities.



VKB supports the management outcomes and practices of the King Code IV®, namely Ethical Culture, Performance and Value Creation, Adequate and Effective Governance, Trust, Good Reputation, and Legitimacy. VKB is committed to holistic and integrated thinking, management and reporting, whilst constantly focusing on stakeholders, transparency and disclosure. VKB supports the principles of integrated governance as outlined in the ISO 37000 Governance of Organisations Guideline. For this reason, corporate governance is regarded as the responsibility of all stakeholders. The activities and operations of VKB are corporately integrated to ensure effective and transparent execution thereof. All the structures within VKB, both at Board and operational level, ensure that adequate meetings are held to properly give effect to their duties and responsibilities. The Board and Executive Management ensure that all the VKB corporate structures and components function properly and in sync.

Corporate Governance is facilitated by the Secretariat, who performs, inter alia, the following functions:

- Corporate maintenance of VKB's group structure and Delegation of Authority Framework;
- Compilation and successful execution of the Corporate Calendar – corporate facilitation of the business processes (agendas, minutes, resolutions and the execution thereof);
- Management and implementation of VKB's Corporate Governance Framework, including the management of all the entities' corporate affairs, such as statutory records and security registers;
- Ensure that all entities in VKB comply with corporate legislation;
- Providing joint and individual guidance to the directors regarding their duties, responsibilities and powers, raising awareness of pending legislation and corporate events relevant to the Group;
- Drafting and vetting corporate documentation; and
- Reporting to the Board on any unethical behaviour, conflict of interest or failure to comply with the provisions of the Memorandum of Incorporation ("MOI") of the company, the Board Charter or the Companies Act, Act No. 71 of 2008 ("the Act").

BOARD OF DIRECTORS

The Board, as governing body, exercises control over the business via appropriate governance structures through constant monitoring and internal control. Organisational structures are reviewed on an ongoing basis to ensure that they support the above principles, ensure optimal performance and align the business with the best industry standards.

The Board executes its duties and responsibilities in accordance with the legal and regulatory framework, the company's MOI, VKB's Board Charter and relevant policies and procedures. Committees assist the Board in this regard. Within the organisational hierarchy, a Delegation of Authority Framework is approved by the Board to delegate duties and responsibilities to different levels of Management. The Group's subsidiaries agreed to adopt and apply the Delegation of Authority Framework and policies approved by VKB Beleggings (Pty) Ltd ("VKB Beleggings") as holding company of the Group.

Directors of the company, when acting in that capacity, exercise their powers and perform their duties in good faith and for due purpose, in the best interests of the company and with the degree of care, skill and diligence reasonably expected of them. Directorships and interests declared by directors are recorded in a register maintained for this purpose. The declaration of interests is a standing item on the agenda of every Board meeting.

EVALUATION AND TRAINING OF DIRECTORS

The Board evaluates its own performance as well as the performance of committees, management structures and individual directors on an ongoing basis, and if shortcomings are identified, it is addressed appropriately and immediately. Newly appointed directors undergo a comprehensive induction process to acquaint them with the business's structure, strategy, policies and procedures, as well as directors' duties and responsibilities.

The Nominations Committee is responsible for succession planning of directors and makes recommendations to the Board regarding the representation of non-executive directors on committees and the Boards of subsidiaries. The Nominations Committee also ensures that the performance of the Board, its committees and directors is evaluated frequently. Based on the outcome of these evaluations, the Nominations Committee makes recommendations to the Board.

COMPOSITION OF THE BOARD OF DIRECTORS

During the year under review, the Board of VKB Beleggings consisted of 14 non-executive directors, three executive directors and four independent specialist consultants. The 14 non-executive directors are nominated and elected by shareholders of the relevant wards (VKB – eight, NTK – three and GWK – three) ("ward directors"). In accordance with the company's MOI, a third of the ward directors rotate every year. The Nominations Committee assists with the identification of suitable candidates for election as ward directors to ensure that the Board consists of directors with the necessary skills and expertise.

Due to expiry of the terms of office of non-executive ward directors, vacancies arose in four of the wards during the year under review. Nominations were called for and Messrs ID Dreyer, JJB Greyling, PJ Cronjé and LJ Eksteen were nominated unopposed by their respective wards (Wards 3, 5, 8 and 15) and declared elected by the Board for a term of office of three years. The non-executive directors of GWK Ltd ("GWK") who were nominated, are Messrs CJ de Villiers, TCJ Marais and JS de Wet. Messrs GJ Nel, NAS Kruger, NB Jacobs and Dr JL Purchase were co-opted by the Board for a term of one year as independent specialist consultants. Dr PG Strauss, Managing Director: VKB Group, Mr MJ Mittermaier, Executive Director: Finance VKB Group, and Mr LD Brooks, Managing Director: GWK, served as executive directors on the Board.

The Directors' Report contains further information on the composition of the Board.

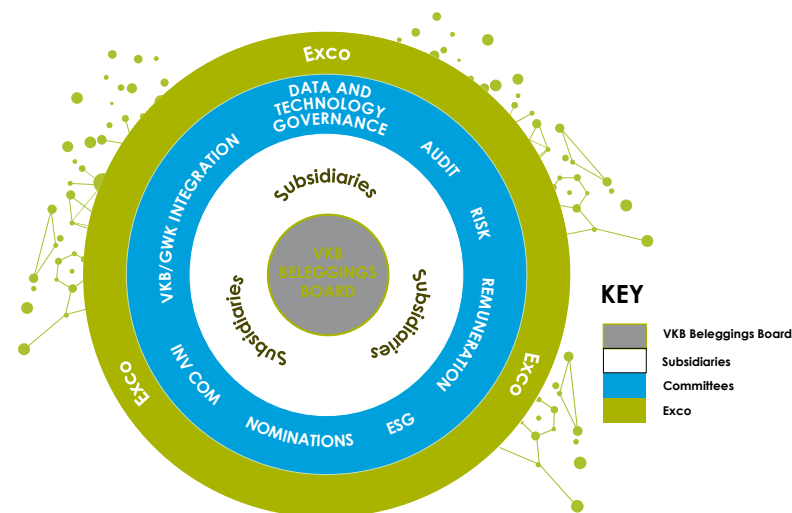
The balance within the Board is sound and the role of the Chairperson is separate from that of the Managing Director. The Chairperson is responsible for leadership within the Board and facilitates constructive liaison between the Board, Management and stakeholders. The Managing Director of the VKB Group is primarily responsible for leading Management in the execution of the strategic plan and daily business operations.

The Board ensures that VKB acts as, and is seen as, a responsible corporate citizen protecting and extending the sustainability of VKB, the community and natural environment, and conducting its operations in a legal and ethical manner.

BOARD COMMITTEES

The following committees assist the Board in the execution of its duties:

- Audit Committee
- Risk Committee
- Remuneration Committee
- Environmental, Social and Governance ("ESG") Committee
- Nominations Committee
- Investment Advisory Committee
- VKB/GWK Integration Committee
- Data and Technology Governance Committee



The committees function in accordance with approved Terms of Reference, which include their mandates, duties and responsibilities. The committees' Terms of Reference were reviewed by the Board during the past year. Unless authorised thereto by legislation or the Board, the committees do not have executive powers and only make recommendations to the respective Boards.

The performance and efficiency of the committees are constantly monitored by the Board. The members of the various committees are elected by the Board on the recommendation of the Nominations Committee. The Board ensures that the committee members have the joint ability and expertise to properly perform their duties and responsibilities. Specialist consultants serve on various committees of the Board. The committees are chaired by independent, non-executive directors. The various chairpersons present the deliberations and recommendations of the committees to the Board for approval and implementation.

Corporate Governance report

continued...

Executive and Senior Management members attend committee meetings to report on their respective areas of responsibility.

GROUP STRUCTURE AND BUSINESS MODEL

VKB Beleggings has approximately 5 108 shareholders who are all bona fide farmers in the Republic of South Africa.

VKB's operations are conducted in two separate divisions. The traditional agricultural business is grouped together in a holding company called VKB Landbou (Pty) Ltd ("VKB Landbou"), and the industries in a holding company called VKB Agri Processors (Pty) Ltd. Both holding companies have various subsidiaries.

VKB is in the process of restructuring the Group following the merger with GWK.

VKB Beleggings follows a unique dividend and incentive discount model. Incentive discounts are awarded from the profits generated by VKB Landbou and VKB Brokers (Pty) Ltd, while dividends may be declared from profits generated by the other entities within the VKB Group. The incentive discounts are based on clients' pro rata participation in the agricultural business activities with the relevant entities during the past year. This discount is paid through a cash component and by the issuance of Class 2 shares in VKB Beleggings. In addition to that, VKB Beleggings may declare dividends from the profits generated by the industries (VKB Agri Processors Group), as well as the other agricultural entities. The total dividends declared and paid by VKB Beleggings to its shareholders since inception of dividend payments amount to R207 million.

OTHER FOCAL AREAS OF CORPORATE GOVERNANCE

Risk management and sustainability

In determining the strategy of the business, the Board balances the interests of the different stakeholders whilst optimising value creation and ensuring sustainability of the business. When considering risk, opportunities, investment and value creation, the Board takes into consideration the six capitals: financial, manufacturing, human, social and relationship, intellectual and natural.

Information affecting sustainability, including internal, external and global risks and trends, is continuously evaluated to ensure that the information and forecasting enable the Group to achieve its goals and objectives, that the information is reliable and that there are no discrepancies in the disclosed financial information. The performance of the business is constantly monitored against set goals and objectives and compared to previous years' performance, budgets and industry norms.

Risk management and business continuity management are focal areas for Management. Risk management is a standing item on the agenda of Management and Board meetings. The Board, with the assistance of the Risk Committee, ensures that sustainable and effective control measures are established and implemented to ensure effective control within VKB.

VKB proactively manages its risks in accordance with a comprehensive Risk Management Policy. A scheduled programme of risk assessment is followed annually, during which risks are quantified, prioritised and included in a Risk Management Plan. The Board approves the Risk Management Plan on an annual basis. The development, implementation and assessment of the Risk Management Plan have been delegated to Management. The Risk Committee evaluates the plan on an ongoing basis, monitors its execution and provides feedback to the Board.

The Assurance Services Department plays an important role in the company's internal control and risk management process as part of the Combined Assurance process.

Compliance with legislation

The Board is responsible to ensure compliance with all applicable legislation and regulatory requirements and adopted a Compliance Policy for this purpose. Legal Services continuously addresses the critical regulatory risk areas as part of VKB's risk management process. Continuous awareness, training and liaison within VKB take place and assurance in this regard is accordingly provided to the Risk Committee and ESG Committee, as well as the respective Boards.

Information and technology governance

As an integral part of the Risk Management Framework, the Board ensures oversight of information and technology ("I&T") governance, which is executed by a team of knowledgeable I&T staff and specialists. To comply with the requirements of legislation and sound corporate governance, the Data and Technology Governance Committee has the mandate to execute the Board's strategy, approved policies and procedures relating to I&T governance, and to report to the Board, enabling it to perform its oversight function on the adequacy and effectiveness of I&T governance within the organisation, as well as information security management.

I&T management is also a standing item on the agenda of the Risk Committee and the review of I&T-related controls is included in the Internal Audit Plan, which is presented to the Risk Committee and ESG Committee. Extensive I&T disaster recovery systems and processes have been established within the business.

Solvency and liquidity

The Board, with the assistance of the Audit Committee, monitors the solvency and liquidity of VKB Beleggings and the individual entities on an ongoing basis, considering available information and all reasonably foreseeable financial and other factors that may affect the company and the Group.

Relationship with stakeholders

The Board adopted a Stakeholder Engagement Policy to ensure an inclusive approach that promotes transparent, comprehensive and targeted interaction with its stakeholders. The execution of the policy is monitored by the ESG Committee and the respective Boards on an ongoing basis.

Various channels regulate the communication, relationships and liaison of VKB with its shareholders, employees, clients, suppliers, the community and the government. VKB's website, www.vkb.co.za, and bimonthly magazine, *Die Pad Saam*, as well as the Integrated Report, social media, information meetings and the Mobiz SMS service, are used as communication media.

VKB's Board also hosts an annual Stakeholder Review Day during which an overview of VKB's performance and business operations is presented to stakeholders.

The value created by VKB is of utmost importance to the Board. The Audit Committee reviews the Statement of Value Added on an annual basis, which includes an analysis of the creation and distribution of wealth, as well as VKB's economic value added. The Statement is also submitted to the ESG Committee for noting.

STATUS OF CORPORATE GOVERNANCE

All the tasks and responsibilities included in this report were duly executed during the year under review. The Board's corporate calendar was successfully executed, with 374 meetings conducted, minuted and resolutions executed. The corporate affairs of the 44 entities in the Group were found to be in order, as confirmed by the external auditors.



DECLARATION BY THE BOARD

The Board confirms and acknowledges its responsibility to ensure the integrity of the Integrated Report. The Board accordingly considered the 2024 Integrated Report and is of the opinion that it addresses all the material aspects and is a fair account of the integrated performance and sustainability of the business.

The Integrated Report was prepared in accordance with the accepted principles of good corporate governance. The Board authorises the issuance of the 2024 Integrated Report.

A handwritten signature in black ink, appearing to read 'Rina Erasmus'.

RINA ERASMUS
Group Company Secretary: VKB Group



Environmental, Social and Governance Committee report

This report incorporates the statutory responsibilities of environmental, social and governance committees, as prescribed by Section 72 and Regulation 43 of the Companies Act, Act No. 71 of 2008. This committee acted as the Environmental, Social and Governance Committee ("ESG Committee/Committee") for entities within the VKB Group ("VKB").

COMPOSITION

During the year under review, the Committee consisted of six suitably skilled and experienced non-executive directors and one independent specialist consultant, appointed by the Board of Directors ("the Board") of VKB Beleggings (Pty) Ltd ("VKB Beleggings"), namely Messrs DJ Kriek, DP Viljoen, J van der Goot, ID Bosman, JJB Greyling, CJ de Villiers and Dr JL Purchase. In addition to the members, the Chairperson of the Board, the Managing Director: VKB Group and other members of Executive Management are also invited to attend meetings of the Committee. The Chairperson of the Committee attends the Annual General Meeting of Shareholders where he reports on the Committee's activities.

After every meeting, the Chairperson of the Committee presents the deliberations and recommendations of the Committee to the Boards of Directors of the respective entities.

MANDATE AND RESPONSIBILITIES

In the execution of its statutory responsibilities, the Committee monitors the relevant activities of the entities within the VKB Group. The Committee wishes to report on VKB's performance for the year under review as follows:

- 1) Social and economic development, including our commitment toward and progress with employment equity, economic transformation and developing agriculture.
- 2) Corporate citizenship and public relations, including rural security, marketing, sponsorships, donations and welfare contributions.
- 3) Corporate governance, including the company's integrated approach toward governance, ethics, procurement, compliance and risk management, global and local sustainability trends and implications thereof.
- 4) The natural environment and the impact of our operations, products and/or services on the environment.
- 5) Labour and employment, including our Remuneration Report, investment in skills development and training of our employees, and occupational health and safety.

Social and economic development

VKB makes a significant contribution, through various social and economic development activities and programmes, to improve the quality of life of the communities in which it conducts its business, and to the local and national economy.

Employment Equity

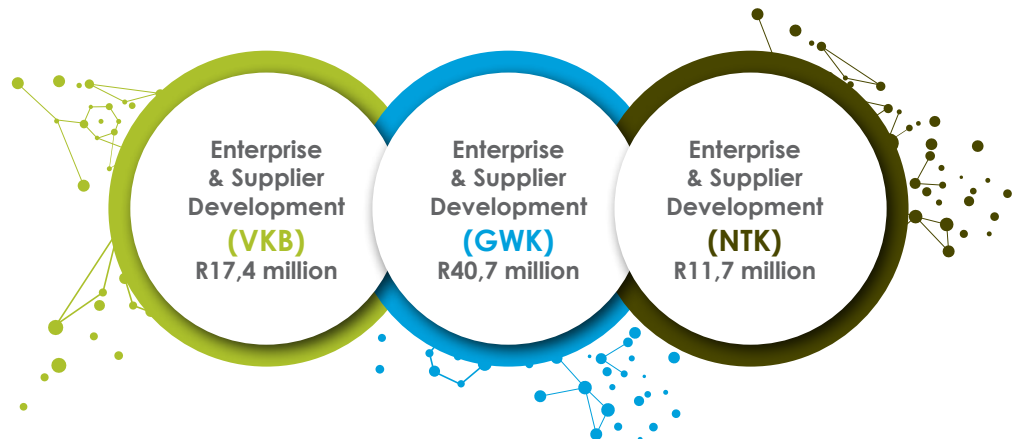
The VKB Group promotes an organisational culture that recognises the diversity of the society within which it conducts its business. VKB strives to provide all employees with opportunities to achieve their optimum potential.

Most of the VKB Group's entities are classified as designated entities in terms of the Employment Equity Act, Act No. 55 of 1998, and have Employment Equity Plans in place. Annual reporting is done and monitored by the ESG Committee. It is thereafter submitted to the entities' respective Boards of Directors for approval and to the Department of Employment and Labour. VKB has made excellent progress in this regard during the year under review.

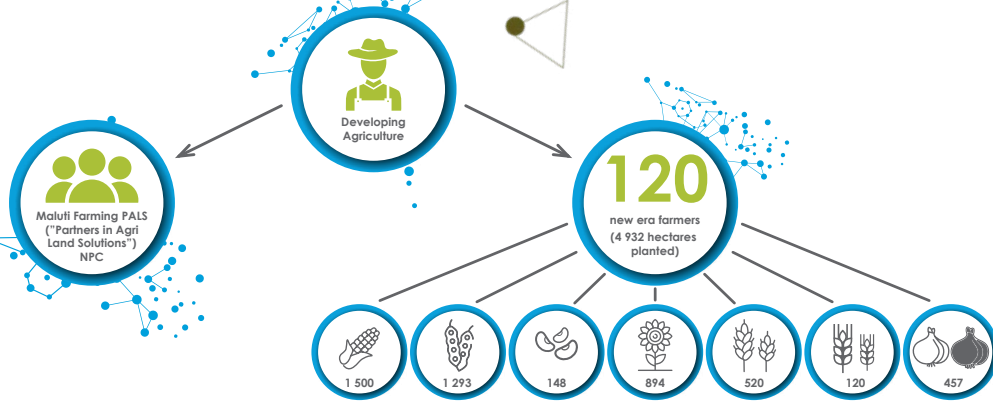
Economic transformation

Transformation is an integral part of VKB's business strategy. VKB's transformation strategy is based on the principles of equity, transparency and sustainability. VKB supports the spirit and substance of Broad-based Black Economic Empowerment, which is evident from the numerous projects and initiatives undertaken internally and externally. During the year under review, VKB invested R69,8 million in Enterprise and Supplier Development projects.

It is also part of VKB's philosophy to invest in and empower our employees to share in the value they help to create. The Group has three workers' trusts as co-shareholders in some of the operating entities. A total of 6 938 employees are beneficiaries of the trusts.



Developing Agriculture



VKB is committed to sustainable agriculture. Our strategic approach is to develop the PALS initiative, while still pursuing our existing model. Maluti Farming PALS is a non-profit company focusing primarily on the promotion of co-operation and partnerships between commercial and new era farmers. It is a national initiative with divisions in various provinces, supported by government and external funders.

Developing Agriculture forms the cornerstone of VKB's enterprise development initiatives. During the year under review, VKB supported numerous new era farmers in its service areas, engaging in a diverse range of crop and livestock farming activities. VKB provides these farming units with advice, financing and mentorship on an ongoing basis, with the intention of these businesses to evolve toward sustainable commercial farming units. During the past few years, a number of new era farmers have been developed successfully into commercial farmers as a direct result of VKB's programmes.

Corporate citizenship and public relations

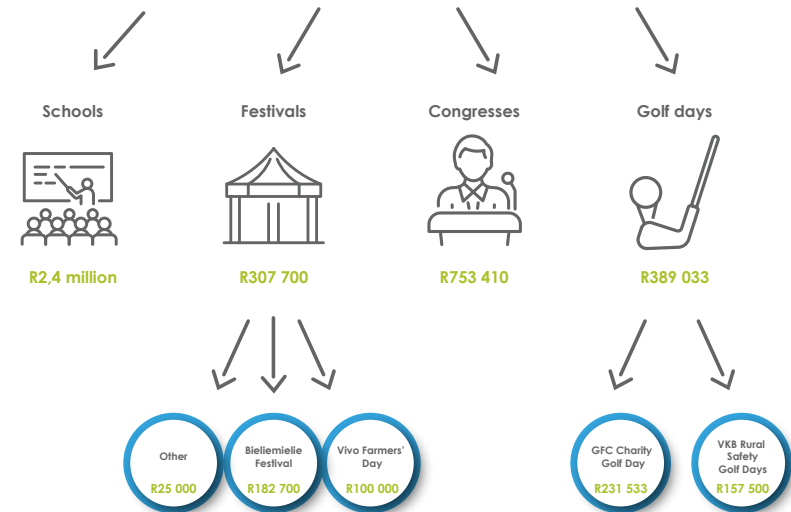
Corporate Social Investment and community support

VKB provides for the support of initiatives with a positive impact in the communities in its service areas. These include sponsorships, donations and welfare contributions.

Sponsorships, donations and contributions are utilised to support institutions and organisations in which VKB and our customers have an interest, and to fulfil the VKB Group's corporate and social responsibilities by supporting the sustainability of the specific structure, organisation or initiative. It is also a way of reaching out to the community, including schools, which play an important role in the communities in our service areas. VKB also assists municipalities in our service areas where possible. VKB invested R3,9 million in community development programmes and sports development during the year under review.

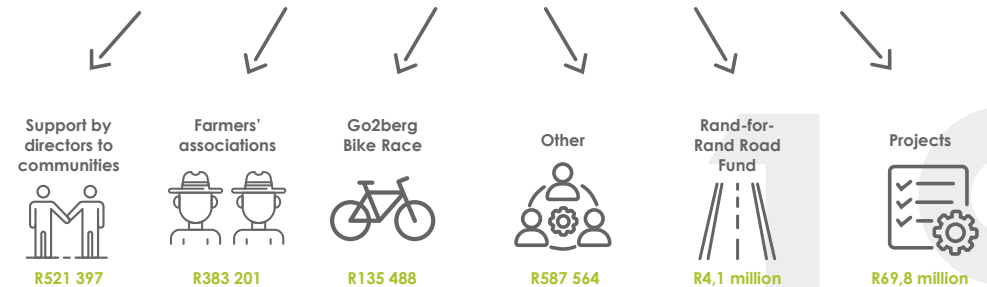
Corporate citizenship and public relations

Corporate Social Investment and community support



VKB invested R75,5 million in agricultural community support during the year under review.

Agricultural community support



Corporate Governance

VKB follows an integrated approach toward corporate governance as alluded to in the Corporate Governance Report.

The natural environment

According to VKB's Environmental Policy, the Group is committed to protect the environment and reduce the impact of the Group's activities on the environment. These include, amongst others, energy efficiency, waste management, recycling and the efficient use of resources. The business also complies with the Occupational Health and Safety Act, Act No. 85 of 1993, and is committed to provide its employees with a safe and healthy work environment. During the year under review, the Committee monitored the implementation of occupational health and safety, wellness, and resource and energy management programmes.

Energy management

The VKB Group is committed to optimise energy management within all its structures. Consumption is monitored continuously to determine the impact on the environment and to ensure the optimal utilisation of electricity, cost savings and alternative energy sources.

In the 2023/24 financial year, the total electricity consumption of the VKB Agri Processors Group increased with 0,8%, while the calculated cost of electricity increased with 15,8% compared to the 2022/23 period. Conversely, the VKB Landbou Group saw a 5,7% decrease in total electricity consumption, with an 8,4% increase in electricity costs over the same period. These cost increases are largely attributable to significant rate hikes from Eskom and municipalities, resulting in higher expenses without a corresponding increase in consumption.

The increase in consumption within the VKB Agri Processors Group is primarily due to the implementation of load curtailment. This initiative allowed three facilities to operate uninterrupted during load shedding, reducing electricity consumption only upon request. Load curtailment has generated estimated diesel savings of R25,8 million for the Group.

According to data collected for the SAGERS ("South African Greenhouse Gas Emissions Reporting System") submission, the VKB Group's (excluding the GWK Group) total carbon emissions amounted to 39 753 tons of carbon dioxide, consistent with the previous year. The carbon tax liability for the year is approximately R1,4 million. However, this amount could be reduced with approximately R240 000 annually for the next three years if the South African Revenue Service approves the voluntary budget, which offers a 5% allowance.

The VKB Group has invested significantly in solar systems and is exploring further renewable and alternative energy sources to enhance sustainability. This strategy aims to mitigate rising electricity costs and reduce the Group's carbon footprint.

By adopting these technologies, VKB seeks to ensure a reliable and cost-effective power supply amidst load shedding and escalating tariffs. The Group's commitment to sustainability is evident in its pursuit of innovative energy solutions for operational efficiency and environmental stewardship. Future projects include expanding solar infrastructure and exploring energy storage solutions, reflecting VKB's dedication to a resilient and sustainable energy framework.

Workplace labour and employment

The VKB Group's employees are dedicated and passionate, and a culture of engagement and commitment is being built and nurtured. VKB consistently strives for fair working conditions.

Skills development and training

We invest in our employees. Our Workplace Skills Plan is aligned to the broader organisational goals in terms of training and human capital development. The VKB Group strives to be a learning organisation through structured programmes underpinned by the business's strategic imperatives, organisational core competencies and occupational requirements.



Remuneration Policy and Remuneration Implementation Report

The Remuneration Committee reviewed VKB's Remuneration Policy during the past year and made recommendations to the Board in this regard. The Board of Directors subsequently amended the Remuneration Policy. The policy and the Remuneration Implementation Report are available on the VKB website at www.vkb.co.za.

Risk management, global and local sustainability trends and implications thereof

VKB's Assurance Services Department manages the Group's Risk Assessment and Combined Assurance processes in accordance with the Risk Management Policy adopted by the Board. The Board must ensure that Management is cognisant of risks within the business and that all reasonable steps are taken to develop, implement and integrate control measures into the day-to-day activities of the business. Sustainability is achieved by acting responsibly toward all stakeholders with a legitimate interest in the business. After identifying risks, we ensure that adequate structures, policies, procedures, practices and control measures exist to effectively manage risks within the Group.

Risk and Combined Assurance registers are compiled and submitted to the Risk Committee and the respective entities' Boards of Directors. Management, the Committees and the Boards assess risk, global and sustainability trends and the implications thereof on the business on an ongoing basis.

REPORT

The Committee successfully executed its mandate and responsibilities during the year under review.

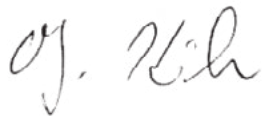
LOOKING FORWARD

VKB believes that sustainability practices are key to delivering long-term value for all stakeholders, which is in alignment with our purpose.

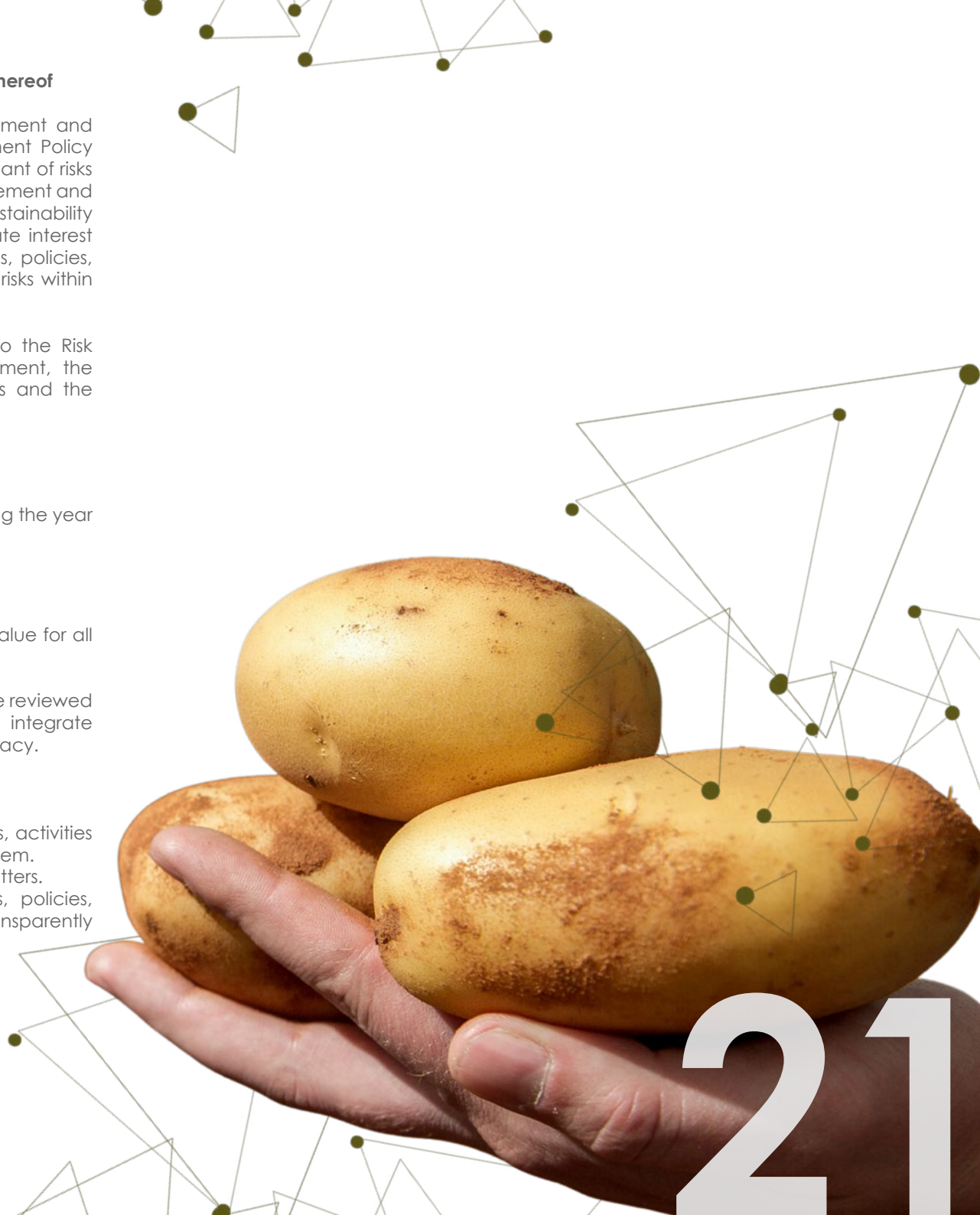
In acknowledgement of the increasing expectations of our stakeholders, we reviewed our approach toward sustainability during the second half of 2023, to integrate sustainability into our core strategy, supporting our purpose, values and legacy.

Our approach going forward can be summarised as follows:

- Comprehensive training for relevant stakeholders.
- Identifying our key stakeholders, how they interact with our operations, activities and value chain, and the risks and opportunities that are relevant to them.
- Assessing those risks and opportunities, to identify the most material matters.
- Responding to the priorities by developing appropriate strategies, policies, controls and performance indicators and reporting regularly and transparently on our progress.



DAN KRIEK
Chairperson: ESG Committee



Audit Committee report

This report incorporates the statutory responsibilities of the audit committee, as stipulated in Section 94 of the Companies Act, Act No. 71 of 2008 ("the Act"). This committee acted as the Audit Committee ("the Committee") for entities within the VKB Group ("the Group") during the year under review.

COMPOSITION

The Committee consists of at least three non-executive directors appointed at the Annual General Meeting of Shareholders on recommendation of the Board of Directors ("the Board"). The Board may, from time to time, co-opt specialists to the Committee or appoint them as members of the Committee.

During the year under review, the Committee consisted of six non-executive directors and two co-opted specialist consultants (Messrs LJ Eksteen – Chairperson, ID Dreyer, JBS Fourie, PJ Cronjé, JS de Wet and TCJ Marais; co-opted – GJ Nel and JFJ van Rensburg). The composition and mandate of the Committee comply with the requirements of the Act and the provisions of the King Code IV®. The Chairperson of the Board, Managing Director: VKB Group, Executive Director: Finance VKB Group, Executive Manager: Assurance Services, representatives of the independent external auditors and the Assurance Services Department, as well as Senior Management, also attend the meetings of the Committee. The Committee met three times during the year under review, during which the Group's Budgets, Annual Financial Statements and Risk Management Plans were considered, in addition to other matters.

The internal and external auditors have unrestricted access to the Chairperson of the Committee and continuously report to the relevant structures within the Group. The Chairperson and the independent external auditors attend the Annual General Meeting of Shareholders to respond to enquiries relating to the business's financial affairs and Annual Financial Statements.

MANDATE AND RESPONSIBILITIES

The Committee has the following duties and responsibilities:

- 1) To ensure that the business's financial planning, management and reporting are correct and effective, and in accordance with appropriate accounting policies and international financial reporting standards.
- 2) To consider and review the financial statements, the accounting practices, policies and procedures, as well as the effectiveness of internal financial controls.
- 3) To make recommendations on the appointment of the independent external auditors, ensure that the appointment of the auditors complies with the provisions of the Act and other legislation, and determine their fees.
- 4) To consider the independence and effectiveness of the external auditors, consider any non-audit work by such auditors and determine whether the provision of

such services may influence their independence, and pre-approve any proposed agreement with the auditors for the provision of non-audit services to the company.

- 5) To prepare a report, to be included in the Annual Financial Statements for that financial year:
 - i) describing how the Audit Committee carried out its mandate and responsibilities;
 - ii) stating whether the Audit Committee is satisfied that the auditors acted independently of the company; and
 - iii) commenting in any way the Committee considers appropriate on the financial statements, the accounting practices and the internal financial control of the company.
- 6) To receive and deal in an appropriate manner with any concerns or complaints, whether from within or outside the company, or on its own initiative, relating to:
 - i) the accounting practices and internal audit of the company;
 - ii) the content or auditing of the company's financial statements;
 - iii) the internal financial control of the company; or
 - iv) any other related matter.
- 7) To make submissions to the Board on any matter concerning the company's accounting policies, financial control, records and reporting, and to perform such other oversight functions as delegated or requested by the Board.
- 8) To accept the annual audit plan and audit budget.
- 9) To evaluate and assess the effectiveness of management information, the annual audit, internal audit programme and internal control systems, as well as oversight of the management of information and technology.
- 10) To ensure that the roles of internal and external audit have been appropriately defined and separated.
- 11) To ensure compliance with applicable legislation and monitoring of regulatory aspects.
- 12) To consider the Integrated Report.
- 13) To ensure proper disclosures, reporting and communication with stakeholders.
- 14) To assist the Board to ensure that an effective strategy for risk management is in place to give effect to the business's strategic goals and to ensure that the disclosure of risks is complete, timely and relevant.
- 15) To continuously consider the solvency and liquidity of the company and the Group, considering all reasonably foreseeable financial circumstances.
- 16) To provide independent oversight of, amongst others:
 - i) the effectiveness of the organisation's assurance functions and services, with particular focus on combined assurance, including external assurance service providers, internal audit and the finance function; and
 - ii) the integrity of the Annual Financial Statements and, to the extent delegated by the Board, other external reports issued by the organisation.
- 17) To meet annually with the internal and external auditors respectively, without Management being present, to facilitate an exchange of views and concerns that may not be appropriate for discussion in an open forum.

REPORT

The Committee performed all duties as set out above. The Committee is satisfied that the 2024 audit conducted by the external auditors was independent and agrees with the audit reports issued in respect of the Group.

In addition, the Committee considered the Integrated Report and is satisfied that:

- 1) All the factors and risks, which may have an impact on the integrity of the Integrated Report, have been considered.
- 2) The Annual Financial Statements reflect the financial position of the business and the Group correctly.
- 3) The financial function as well as the internal financial and other controls is adequate and functions effectively.
- 4) The sustainability reporting included in the Integrated Report is reliable and not in conflict with financial information.
- 5) The reporting on risk management, as included in the Integrated Report, is timely, complete and relevant.
- 6) The level of assurance provided in the Integrated Report contributes to an adequate and efficient control environment.



LEON EKSTEEN
Chairperson: Audit Committee



Directors' responsibilities and approval

The directors are required in terms of the Companies Act, Act No. 71 of 2008 ("the Act"), to maintain adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included in this report. It is their responsibility to ensure that the financial statements fairly present the state of affairs of the VKB Group ("the Group") as at the end of the financial year and the results of its operations and cash flow for the period then ended, in conformity with IFRS® Accounting Standards. The external auditors were 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 applied consistently and supported by reasonable and prudent judgements and estimates.

The directors confirm that they are ultimately responsible for the system of internal financial control established by the Group and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the Board of Directors ("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 and all employees are required to maintain the highest ethical standards in ensuring the Group's business is conducted in a manner that, in all reasonable circumstances, is above reproach. The focus of risk management in the Group is on identifying, assessing, managing and monitoring all known forms of risk across the Group. While operational 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, based on the information and explanations given by Management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors reviewed the Group's cash flow forecast for the year until 31 March 2024 and, in view of this review and the current financial position, they are satisfied that the Group has or will have

access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the Group's financial statements. The financial statements were examined by the Group's external auditors and their report forms part of the comprehensive Annual Financial Statements.

The abridged consolidated Annual Financial Statements set out on pages 30 to 32, which have been prepared on the going concern basis, were approved by the Board on 13 June 2024 and were signed on their behalf by:



CF FICK
Chairperson



JH DU PREEZ
Vice-chairperson

Declaration of responsibility by the Group Company Secretary:

In terms of Section 88(2)(e) of the Act, it is certified that the Group submitted the prescribed returns and notices in terms of the Act, and that such returns and notices are considered to be just, correct and up to date.



SC ERASMUS
Group Company Secretary



Directors' report

The directors have pleasure in submitting their report on the abridged consolidated Annual Financial Statements of the Group for the year ending 31 March 2024.

1. NATURE OF BUSINESS

VKB Beleggings (Pty) Ltd is a private company incorporated in South Africa, with interests in the agricultural industry. The company does not trade, and all its activities are undertaken through its subsidiaries, associates and joint business arrangements. The Group conducts its operations in South Africa.

There have been no material changes to the nature of the Group's business since the previous year.

2. REVIEW OF FINANCIAL RESULTS AND ACTIVITIES

The comprehensive Annual Financial Statements were prepared in accordance with IFRS® Accounting Standards and the requirements of the Companies Act, Act No. 71 of 2008 ("the Act"). The accounting policies have been applied consistently.

Full details of the financial position and results of operations of the Group are set out in the comprehensive Annual Financial Statements.

3. SHARE CAPITAL

Authorised	Number of shares	
	2024 '000	2023 '000
Ordinary shares	100 000	100 000
Class 2 preference shares	10 000 000	10 000 000
Class 3 preference shares	1 000 000	1 000 000
Class 4 preference shares	10 000 000	10 000 000

Issued	Number of shares			
	2024 R'000	2023 R'000	2024 '000	2023 '000
Ordinary shares	25 543	24 520	25 543	24 520
Class 2 preference shares	2 583 093	2 342 320	2 583 093	2 342 320
Class 3 preference shares	190 870	201 908	190 870	201 908
Class 4 preference shares	10 036	10 082	10 036	10 082
	2 809 542	2 578 830	2 809 542	2 578 830

4. DIVIDENDS

The Board approved the declaration and payment of a dividend of R0,703 million (2023: R0,403 million) on Class 4 preference shares, equating to R0,07 (2023: R0,04) per share.

5. DIRECTORATE

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

Non-executive	Ward
CF Fick – Chairman	Ward 1 – Reitz
JH du Preez – Vice-chairman	Ward 15 – Limpopo
DP Viljoen	Ward 2 – Bethlehem, Daniëlsrus, Kestell and Qwaqwa
ID Dreyer	Ward 3 – Vrede, Memel, KwaZulu-Natal (North), Cornelia, Woudzicht and Ascent
ID Bosman	Ward 4 – Petrus Steyn, Heilbron, Senekal and Lindley
JJB Greyling	Ward 5 – Warden, Verkykerskop, Harrismith and KwaZulu-Natal (South)
DJ Kriek	Ward 6 – Frankfort and Tweeling
JBS Fourie	Ward 7 – Jim Fouché, Oranjeville and Windfield
PJ Cronjé	Ward 8 – Villiers, Grootvlei, Balfour, Standerton and Delmas
J van der Goot	Ward 15 – Limpopo
LJ Eksteen	Ward 15 – Limpopo
JS de Wet	GWK ward, appointed on 21 June 2023
TCJ Marais	GWK ward, appointed on 21 June 2023
CJ de Villiers	GWK ward, appointed on 21 June 2023
GJ Nel	Independent specialist consultant
JL Purchase	Independent specialist consultant
NAS Kruger	Independent specialist consultant
NB Jacobs	Independent specialist consultant

Executive	
PG Strauss	Managing Director: VKB Group
MJ Mittermaier	Executive Director: Finance VKB Group
LD Brooks	Executive Director: GWK Ltd

6. SPECIAL RESOLUTIONS

No special resolutions, the nature of which might be significant to the shareholders in their appreciation of the state of affairs of the Group, were made by the Group or any of its subsidiaries during the period covered by this report.

7. GOING CONCERN

The directors are satisfied that the Group has adequate financial resources to continue in operation for the foreseeable future and accordingly the consolidated Annual Financial Statements were prepared on a going concern basis. The Group is in a sound financial position and 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. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation that may materially affect the Group.

The consolidated Annual Financial Statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

Directors' report continued...

8. LITIGATION STATEMENT

From time to time the Group becomes involved in claims and lawsuits incidental to the ordinary course of business. The Group is not currently involved in any such claims or lawsuits, which individually or in the aggregate, are expected to have a material adverse effect on the business or its assets.

9. AUDITORS

PricewaterhouseCoopers Incorporated ("PwC") were appointed as auditors for the Group for 2024.

Enslins Bethlehem Incorporated ("Enslins") continued in office as auditors for certain subsidiaries in the Group for 2024.

At the Annual General Meeting of Shareholders, the shareholders will be requested to reappoint PricewaterhouseCoopers as the independent external auditors of the Group, with Mr AJC Dale CA(SA) as the designated audit partner for the 2025 financial year. Additionally, it will be recommended to shareholders to reappoint Enslins as the independent external auditors of certain subsidiaries within the Group, with Mr EE Bakker CA(SA) as the designated audit partner.

10. SECRETARY

The Group Company Secretary is Adv. SC Erasmus.

Postal address: PO Box 100
REITZ
9810

Business address: 31 President CR Swart Street
REITZ
9810

11. SOLVENCY AND LIQUIDITY

The directors performed the solvency and liquidity test as prescribed by the Act.

12. EVENTS AFTER THE REPORTING PERIOD

The directors are not aware of any material event that occurred after the reporting date and up to the date of this report.

13. AMALGAMATION WITH GWK LTD

GWK Ltd and VKB started exploring the potential opportunity of creating a combined group in 2020, with the primary objective of unlocking operational and business synergy that are mutually beneficial between the Groups.

During the 2023 financial year, the Boards of VKB Beleggings (Pty) Ltd and GWK Ltd, as well as GWK Ltd's shareholders, approved the proposed transaction. The transaction further received approval from the Competition Commission and the Takeover Regulation Panel. The amalgamation transaction took effect on 31 May 2023, with VKB Beleggings (Pty) Ltd acquiring a 100% interest in GWK Ltd for an IFRS 3 fair value consideration of R229,32 million. The purchase consideration consisted of a R20 million cash payment, and the issuance of equity instruments with a face value of R688 million.

14. ABRIDGED CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

The abridged consolidated Annual Financial Statements were compiled by Mr JJ van Niekerk CA(SA). The comprehensive Annual Financial Statements are available on request at the offices of the Group Company Secretary. The information in this report was not subjected to an independent audit or overview.





Consolidated statement of financial position as at 31 March 2024

	Group		Company	
	2024 R'000	2023 (Restated) R'000	2024 R'000	2023 R'000
ASSETS				
Non-current assets				
Property, plant and equipment	2 860 712	1 956 411	6 159	6 404
Right-of-use assets	58 492	43 413	-	-
Investment property	-	-	503 545	481 718
Goodwill	118 453	117 232	-	-
Intangible assets	168 511	125 657	-	-
Investments in subsidiaries	-	-	3 010 888	2 084 441
Investments in joint ventures	127 190	-	-	-
Investments in associates	509 172	496 971	500 936	488 259
Loans to group companies	1 471	2 347	-	-
Loans to directors, managers and employees	4 616	4 322	-	-
Loans receivable	52 520	-	-	-
Investments at fair value	7 548	19	-	-
Finance lease receivables	2 056	2 324	-	-
Fixed term receivables	14 881	35 107	-	-
Deferred tax	444 617	267 050	311	1 447
	4 370 239	3 050 853	4 021 839	3 062 269
Current assets				
Biological assets	113 351	86 083	-	-
Inventories	3 382 568	1 643 899	-	-
Loans to group companies	950	200	-	-
Loans to directors, managers and employees	21	85	-	-
Loans receivable	134 289	27 050	-	-
Trade and other receivables	6 590 680	6 098 785	15 252	23 758
Investments at fair value	1 101	-	-	-
Derivatives	117 342	27 041	-	-
Finance lease receivables	358	363	-	-
Fixed term receivables	36 907	59 754	-	-
Current tax receivable	22 376	5 190	4 654	-
Cash and cash equivalents	283 792	101 533	381	138
	10 683 735	8 049 983	20 287	23 896
Non-current assets held for sale and assets of disposal groups	97 529	34 207	-	-
Total assets	15 151 503	11 135 043	4 042 126	3 086 165
EQUITY AND LIABILITIES				
EQUITY				
Share capital	2 809 542	2 578 830	2 809 542	2 578 830
Reserves	229 462	(16 942)	685 795	10 162
Retained income	1 320 118	829 883	454 805	413 931
Equity attributable to equity holders of the parent company	4 359 122	3 391 771	3 950 142	3 002 923
Non-controlling interest	142 955	156 235	-	-
	4 502 077	3 548 006	3 950 142	3 002 923

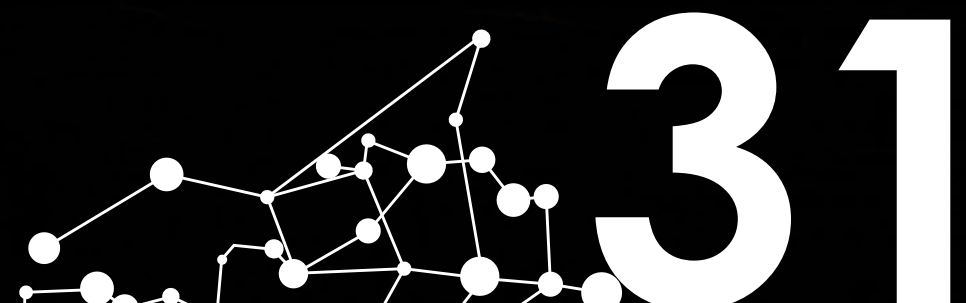
	Group		Company	
	2024	2023	2024	2023
	R'000	(Restated) R'000	R'000	R'000
LIABILITIES				
Non-current liabilities				
Loans from group companies	-	-	27 426	30 000
Borrowings	880 048	443 308	4 273	4 751
Financial liabilities at fair value	1 093	1 562	-	-
Lease liabilities	42 623	33 527	-	-
Retirement benefit obligation	83 147	65 240	-	-
Deferred tax	350 712	223 962	34 002	27 379
	1 357 623	767 599	65 701	62 130
Current liabilities				
Trade and other payables	2 009 749	1 654 036	4 293	18 627
Loans from group companies	-	-	20 000	1 606
Loans from shareholders	1 239 782	883 236	-	-
Borrowings	1 563 239	152 298	487	879
Financial liabilities at fair value	1 538	8 904	800	-
Derivatives	57 451	121 938	-	-
Lease liabilities	22 747	15 330	-	-
Current tax payable	15 141	5 284	-	-
Provisions	12 332	11 065	-	-
Dividend payable	703	-	703	-
Bank overdraft	4 195 962	3 967 347	-	-
	9 118 644	6 819 438	26 283	21 112
Liabilities of disposal groups	173 159	-	-	-
Total liabilities	10 649 426	7 587 037	91 984	83 242
Total equity and liabilities	15 151 503	11 135 043	4 042 126	3 086 165



Abridged Consolidated

Statement of profit or loss

	Group		Company	
	2024 R'000	2023 (Restated) R'000	2024 R'000	2023 R'000
Continuing operations				
Revenue	25 440 581	21 212 748	64 913	51 507
Interest received from production financing	495 129	348 691	-	-
Revenue	25 935 710	21 561 439	64 913	51 507
Cost of sales	(22 734 627)	(19 269 993)	-	-
Finance cost relating to production financing	(239 278)	(196 809)	-	-
Gross profit	2 961 805	2 094 637	64 913	51 507
Incentive discount	387 497	371 000	-	-
Gross profit before incentive discount	3 349 302	2 465 637	64 913	51 507
Other operating income	105 277	70 880	12 121	8 181
Other operating profit/(loss)	(72 283)	(25 325)	-	3 345
Movement in credit loss allowances	(68 789)	(19 048)	-	-
Other operating expenses	(2 569 491)	(1 757 913)	(44 625)	(44 877)
Operating profit	744 016	734 231	32 409	18 156
Investment income	44 389	14 446	10 802	8 579
Finance cost	(373 575)	(136 601)	(3 732)	(2 968)
Income from equity-accounted investments	27 758	32 730	2 932	26 433
Other non-operating profit/(loss)	462 869	(138)	7	(138)
Profit before incentive discount	905 457	644 668	42 418	50 062
Incentive discount	(387 497)	(371 000)	-	-
Profit before taxation	517 960	273 668	42 418	50 062
Taxation	580	(60 428)	(8 585)	(3 842)
Profit from continuing operations	518 540	213 240	33 833	46 220
Discontinued operations				
Profit/(loss) from discontinued operations	(51 280)	(14 191)	-	-
Profit for the year	467 260	199 049	33 833	46 220





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