

**THE COMBINED CARVE-OUT HISTORICAL FINANCIAL INFORMATION  
OF RAINBOWDIV FOR THE YEARS ENDED 2 JULY 2023, 3 JULY 2022 AND  
4 JULY 2021**

**COMBINED CARVE-OUT STATEMENT OF FINANCIAL POSITION AS AT**

	Note	Audited 2 July 2023 R'000	Reviewed 3 July 2022 R'000	Reviewed 4 July 2021 R'000
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant, equipment, and right-of-use assets	1	1,999,131	1,698,822	1,520,961
Intangible assets	2	48,641	48,338	56,382
Investment in associates			39,706	40,177
Deferred income tax	13	40,983	22,640	8,632
Loans receivable			1,302	1,302
		<b>2,088,755</b>	<b>1,810,808</b>	<b>1,627,454</b>
<b>Current assets</b>				
Inventories	4	1,108,580	875,315	900,456
Biological assets	5	1,008,583	882,792	701,257
Trade and other receivables	6	2,269,819	2,117,581	1,280,650
Derivative financial instruments		23,350	4,468	62,761
Tax receivable		690	–	81,320
Cash and cash equivalents		28,011	119,196	115,868
		<b>4,439,033</b>	<b>3,999,352</b>	<b>3,142,312</b>
<b>Total assets</b>		<b>6,527,788</b>	<b>5,810,160</b>	<b>4,769,766</b>
<b>EQUITY</b>				
Stated capital	7	1,249,964	1,249,964	1,249,964
Share-based payments reserve	8	203,379	203,379	200,415
Other reserves			2,552	1,061
Common control reserve		(1,048,798)	(1,048,798)	(1,048,798)
Retained earnings		275,117	531,281	497,732
Equity attributable to the equity holders of the Company		679,662	938,378	900,374
Non-controlling interests		31,182	55,223	74,731
<b>Total equity</b>		<b>710,844</b>	<b>993,601</b>	<b>975,105</b>
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
Interest-bearing liabilities	9	342,012	159,551	110,807
Deferred income tax liabilities	13	225,043	310,813	342,172
Retirement benefit obligations		18,102	21,812	17,381
Share scheme liability		29,109	28,412	15,345
		<b>614,266</b>	<b>520,588</b>	<b>485,705</b>
<b>Current liabilities</b>				
Trade and other payables	12	1,633,665	1,392,920	1,157,001
Loans from RCL Foods Group companies	10	3,501,059	2,758,606	1,996,846
Interest-bearing liabilities	9	67,888	136,199	150,636
Derivative financial instruments			378	130
Current income tax liabilities		66	127	4,343
Bank overdraft			7,741	
		<b>5,202,678</b>	<b>4,295,971</b>	<b>3,308,956</b>
<b>Total liabilities</b>		<b>5,816,944</b>	<b>4,816,559</b>	<b>3,794,661</b>
<b>Total equity and liabilities</b>		<b>6,527,788</b>	<b>5,810,160</b>	<b>4,769,766</b>

Net asset value per share is not disclosed as the Combined Carve-Out Historical Financial Information has been prepared on a combined carve-out basis such that stated capital is not representative of the contributed capital of RainbowDiv. Hence per share disclosures are not considered meaningful metrics.

**COMBINED CARVE-OUT STATEMENT OF PROFIT AND LOSS FOR THE YEARS ENDED 2 JULY 2023,  
3 JULY 2022 AND 4 JULY 2021**

	Note	Audited 2023 R'000	Reviewed 2022 R'000	Reviewed 2021 R'000
Revenue from contracts with customers	14	13,463,861	11,384,801	10,335,889
<b>Operating profit before depreciation, amortisation, and impairment (EBITDA)<sup>1</sup></b>		<b>38,644</b>	<b>336,211</b>	<b>15,059</b>
Depreciation, amortisation, and impairments <sup>2</sup>		(267,603)	(254,933)	(224,434)
<b>Operating (loss)/profit</b>	15	<b>(228,959)</b>	<b>81,278</b>	<b>(209,375)</b>
Finance costs	16	(173,169)	(85,732)	(50,583)
Finance income	17	5,098	10,741	20,879
Share of profits/(losses) of associates		4,903	(4,730)	5,810
<b>(Loss)/profit before tax</b>		<b>(392,127)</b>	<b>1,557</b>	<b>(233,269)</b>
Income tax (expense)/credit	18	106,103	14,093	71,505
<b>(Loss)/profit for the year</b>		<b>(286,024)</b>	<b>15,650</b>	<b>(161,764)</b>
(Loss)/profit attributable to:				
Equity holders of the Company		(259,483)	35,158	(146,612)
Non-controlling interests		(26,541)	(19,508)	(15,152)
		<b>(286,024)</b>	<b>15,650</b>	<b>(161,764)</b>

Earnings per share and headline earnings per share is not disclosed as the Combined Carve-Out Historical Financial Information has been prepared on a combined carve-out basis such that stated capital is not representative of the contributed capital of RainbowDiv. Hence per share disclosures are not considered meaningful metrics.

1 Includes net expected credit losses raised on trade and other receivables of R3.3 million (2022: R0.3 million; 2021: R1.6 million). Refer to note 6 for further detail.

2 Relates only to impairments of property, plant and equipment, right-of-use assets and intangible assets.

**COMBINED CARVE OUT STATEMENT OF OTHER COMPREHENSIVE INCOME FOR THE THREE YEARS ENDED 2 JULY 2023, 3 JULY 2022 AND 4 JULY 2021**

Note	Audited 2023 R'000	Reviewed 2022 R'000	Reviewed 2021 R'000
<b>(Loss)/profit for the year</b>	<b>(286,024)</b>	<b>15,650</b>	<b>(161,764)</b>
Other comprehensive income:			
Items that will not be reclassified to profit or loss:			
Remeasurement of retirement medical aid obligations	3,319	(1,609)	993
Items that may be reclassified to profit or loss:			
Currency translation differences	7,102	1,673	(5,319)
Foreign currency translation reserve	(9,654)	(182)	(76)
<b>Other comprehensive income for the year</b>	<b>767</b>	<b>(118)</b>	<b>(4,402)</b>
<b>Total comprehensive income/(loss) for the year</b>	<b>(285,257)</b>	<b>15,532</b>	<b>(166,166)</b>
Total comprehensive income/(loss) attributable to:			
Equity holders of the Company	(258,716)	35,040	(151,014)
Non-controlling interest	(26,541)	(19,508)	(15,152)
	<b>(285,257)</b>	<b>15,532</b>	<b>(166,166)</b>

Items in the statement of other comprehensive income above are disclosed net of tax. The tax relating to the remeasurement of medical aid obligations was R1.2 million (2022: R0.6 million tax credit; 2021: R0.4m tax charge).

**COMBINED CARVE-OUT STATEMENT OF CHANGES IN EQUITY FOR THE THREE YEARS ENDED  
2 JULY 2023, 3 JULY 2022 AND 4 JULY 2021**

	Stated capital R'000	Share- based payments reserve R'000	Other reserves R'000	Common control reserve R'000	Retained earnings R'000	Total attri- butable to equity holders of the Company R'000	Non- controlling interests R'000	Total equity R'000
<b>Balance at 28 June 2020</b>	1,249,964	195,036	6,456	(1,048,798)	693,644	<b>1,096,302</b>	89,883	<b>1,186,185</b>
Loss for the period	-	-	-	-	(146,612)	<b>(146,612)</b>	(15,152)	<b>(161,764)</b>
Other comprehensive income for the period	-	-	(5,395)	-	993	<b>(4,402)</b>	-	<b>(4,402)</b>
BEE share-based payments charge	-	5,379	-	-	-	<b>5,379</b>	-	<b>5,379</b>
Ordinary dividend paid	-	-	-	-	(50,293)	<b>(50,293)</b>	-	<b>(50,293)</b>
<b>Balance at 4 July 2021</b>	1,249,964	200,415	1,061	(1,048,798)	497,732	<b>900,374</b>	74,731	<b>975,105</b>
Profit/(loss) for the period	-	-	-	-	35,158	<b>35,158</b>	(19,508)	<b>15,650</b>
Other comprehensive income for the period	-	-	1,491	-	(1,609)	<b>(118)</b>	-	<b>(118)</b>
BEE share-based payments charge	-	2,964	-	-	-	<b>2,964</b>	-	<b>2,964</b>
<b>Balance at 3 July 2022</b>	<b>1,249,964</b>	<b>203,379</b>	<b>2,552</b>	<b>(1,048,798)</b>	<b>531,281</b>	<b>938,378</b>	<b>55,223</b>	<b>993,601</b>
Loss for the period	-	-	-	-	(259,483)	<b>(259,483)</b>	(26,541)	<b>(286,024)</b>
Other comprehensive income for the period	-	-	(2,552)	-	3,319	<b>767</b>	-	<b>767</b>
Acquisition of business	-	-	-	-	-	-	2,500	<b>2,500</b>
<b>Balance at 2 July 2023</b>	<b>1,249,964</b>	<b>203,379</b>	<b>-</b>	<b>(1,048,798)</b>	<b>275,117</b>	<b>679,662</b>	<b>31,182</b>	<b>710,844</b>

**COMBINED CARVE-OUT STATEMENT OF CASH FLOWS FOR THE THREE YEARS ENDED 2 JULY 2023,  
3 JULY 2022 AND 4 JULY 2021**

	Note	Audited 2023 R'000	Reviewed 2022 R'000	Reviewed 2021 R'000
<b>Cash flows from operating activities</b>				
Cash (utilised by)/generated from operations	A	(205,948)	(346,690)	(160,371)
Finance income received		5,098	10,741	20,879
Finance costs paid <sup>1</sup>		(168,104)	(81,068)	(43,115)
Tax paid	B	13	46,429	36,711
<b>Cash (utilised by)/generated from operating activities</b>		<b>(368,941)</b>	<b>(370,588)</b>	<b>(145,896)</b>
<b>Net cash (outflow)/inflow from operating activities</b>		<b>(368,941)</b>	<b>(370,588)</b>	<b>(145,896)</b>
<b>Cash flows from investing activities</b>				
Replacement of property, plant and equipment		(241,047)	(287,975)	(251,941)
Expansion of property, plant and equipment		(168,141)	(121,964)	(11,867)
Intangible asset additions		(7,636)	(1,234)	(2,783)
Proceeds on disposal of non-current assets held for sale		-	-	4,650
Proceeds on disposal of property, plant, and equipment, and intangible assets		14	587	679
<b>Net cash (outflow)/inflow from investing activities</b>		<b>(416,810)</b>	<b>(410,586)</b>	<b>(261,262)</b>
<b>Cash flows from financing activities</b>				
Repayment of interest-bearing liabilities	C	(59,888)	(95,505)	(51,117)
Advances of interest-bearing liabilities	C	15,941	110,650	26,600
Movement in Loans with Group companies <sup>2</sup>	C	746,255	761,616	476,008
<b>Net cash (outflow)/inflow from financing activities</b>		<b>702,308</b>	<b>776,761</b>	<b>451,491</b>
<b>Net movement in cash and cash equivalents</b>		<b>(83,444)</b>	<b>(4,413)</b>	<b>44,333</b>
Cash and cash equivalents at the beginning of the year		111,455	115,868	71,535
<b>Total cash and cash equivalents at the end of the year (net of overdrafts)</b>	D	<b>28,011</b>	111,455	115,868

1 Finance costs paid exclude finance costs in respect of IFRS 16 Leases of R5.1 million (2022: R4.7 million; 2021: R7.5 million), which have been disclosed as part of lease payments within financing activities.

2 The net movement in loans to Group companies has been shown as it is not practicable to show advances and repayments of these loans during the year.

**NOTES TO THE COMBINED CARVE-OUT STATEMENT OF CASH FLOWS FOR THE THREE YEARS ENDED 2 JULY 2023, 3 JULY 2022 AND 4 JULY 2021**

**Note A: Cash generated by operations**

	<b>Audited 2023 R'000</b>	<b>Reviewed 2022 R'000</b>	<b>Reviewed 2021 R'000</b>
<b>CASH GENERATED BY OPERATIONS</b>			
<b>Operating (loss)/profit</b>	<b>(228,959)</b>	<b>81,278</b>	<b>(209,375)</b>
Adjusted for:			
Depreciation, amortisation and impairment <sup>1</sup>	267,603	254,933	224,434
Loss on disposal of property, plant and equipment and intangible assets	752	538	441
Recycling FCTR	(9,654)	(182)	78
Loss on sale of associate	1,955	–	–
Profit on disposal of assets held for sale	–	–	(3,141)
Change in shareholding of associate	–	(2,586)	(2,223)
Movement in retirement benefit obligations	836	2,226	(424)
Movement in derivative financial instruments	(19,263)	58,536	(63,421)
Fair value adjustment in biological assets <sup>2</sup>	(19,722)	(9,513)	(23,154)
Foreign exchange loss on remeasurement of lease	496	585	(2,335)
Share-based payments – B-BBEE charge	–	2,964	5,379
Share-based payments – Employee Share Award Scheme	697	13,067	(4,755)
Gain on remeasurement of leases	(229)	(679)	(402)
Other non-cash flow items	–	35	26
	<b>(5,488)</b>	<b>401,202</b>	<b>(78,872)</b>
<b>Working capital changes:</b>			
Movement in inventories	(233,265)	25,141	40,546
Movement in biological assets <sup>2</sup>	(106,068)	(172,021)	(133,829)
Movement in trade and other receivables	(102,482)	(836,931)	246,047
Movement in trade and other payables	241,355	235,919	(234,263)
	<b>(200,460)</b>	<b>(747,892)</b>	<b>(81,499)</b>
	<b>(205,948)</b>	<b>(346,690)</b>	<b>(160,371)</b>

**Note B: Tax paid**

	<b>Audited 2023 R'000</b>	<b>Reviewed 2022 R'000</b>	<b>Reviewed 2021 R'000</b>
Amount (payable)/refundable at the beginning of the year	(127)	76,977	55,316
Charged to the income statement	764	(30,675)	58,372
Normal tax	74	(29,910)	60,895
Prior year (under)/overprovision	690	(765)	(2,523)
Amount (refundable)/payable at the end of the year	(624)	127	(76,977)
	<b>13</b>	<b>46,429</b>	<b>36,711</b>

<sup>1</sup> Relates only to impairments of property, plant and equipment and intangible assets.

<sup>2</sup> The movement in biological assets is represented by the non-cash fair value adjustment on biological assets of R19.7 million (2022: R9.5 million; 2021: R23.2 million) and the movement included in working capital changes of R106.1 million (2022: R172.0 million; 2021: R133.8 million). The net increase in biological assets for the year was R125.8 million (2022: R181.5 million; 2021: R157.0 million). Refer to note 5 for further detail.

**Note C: Reconciliation of liabilities arising from financing activities**

Movements in net debt for the year ended 2 July 2023 are as follows:

<b>Audited</b>	<b>3 July 2022 R'000</b>	<b>Cash inflows R'000</b>	<b>Cash outflows R'000</b>	<b>Non-cash flows<sup>1</sup> R'000</b>	<b>2 July 2023 R'000</b>
Loan from Green Create W2V SA Proprietary Limited	94,578	15,941	-	-	<b>110,519</b>
Loan from Facility for Investments in Renewable Small Transactions (RF) Proprietary Limited	153,955	-	(12,193)	-	<b>141,762</b>
Lease liabilities	47,217	-	(47,695)	158,097	<b>157,619</b>
Loans from Group Companies <sup>2</sup>	2,758,606	746,255	-	(3,802)	<b>3,501,059</b>
	<b>3,054,356</b>	<b>762,196</b>	<b>(59,888)</b>	<b>154,295</b>	<b>3,910,959</b>

Movements in net debt for the year ended 3 July 2022 are as follows:

<b>Reviewed</b>	<b>4 July 2021 R'000</b>	<b>Cash inflows R'000</b>	<b>Cash outflows R'000</b>	<b>Non-cash flows<sup>1</sup> R'000</b>	<b>3 July 2022 R'000</b>
Loan from Green Create W2V SA Proprietary Limited	102,600	23,000	(31,022)	-	<b>94,578</b>
Loan from Facility for Investments in Renewable Small Transactions (RF) Proprietary Limited	76,385	87,650	(10,080)	-	<b>153,955</b>
Lease liabilities	82,459	-	(54,403)	19,161	<b>47,217</b>
Loans from Group Companies <sup>2</sup>	1,996,846	761,616	-	144	<b>2,758,606</b>
	<b>2,258,290</b>	<b>872,266</b>	<b>(95,505)</b>	<b>19,305</b>	<b>3,054,356</b>

Movements in net debt for the year ended 4 July 2021 are as follows:

<b>Reviewed</b>	<b>28 June 2020 R'000</b>	<b>Cash inflows R'000</b>	<b>Cash outflows R'000</b>	<b>Non-cash flows<sup>1</sup> R'000</b>	<b>4 July 2021 R'000</b>
Loan from Green Create W2V SA Proprietary Limited	76,000	26,600	-	-	<b>102,600</b>
Loan from Facility for Investments in Renewable Small Transactions (RF) Proprietary Limited	79,650	-	(3,265)	-	<b>76,385</b>
Lease liabilities	123,643	-	(47,852)	6,668	<b>82,459</b>
Loans from Group Companies <sup>2</sup>	1,520,838	476,008	-	-	<b>1,996,846</b>
	<b>1,800,131</b>	<b>502,608</b>	<b>(51,117)</b>	<b>6,668</b>	<b>2,258,290</b>

<sup>1</sup> Non-cash flows relate primarily to interest incurred and remeasurements on lease liabilities in accordance with IFRS 16.

<sup>2</sup> The underlying nature of these cash receipts and payments are short in maturity, the amounts are large and quick in turnover, therefore RainbowDiv has applied the IFRS 7 exemption which allows for the presentation of these cash flows on a net basis.

**Note D: Cash and cash equivalents**

Cash and cash equivalents include restricted balances of R18.8 million (2022: R62.1 million; 2021: R82.9 million). Restricted cash balances consist of margin on deposit with ABSA Bank Limited and The Standard Bank of South Africa Limited which serves as collateral for derivative positions held on SAFEX and Yield X accounts at year-end with the JSE Limited. This cash will only be accessible by RainbowCo when the related derivative positions are closed. A restricted cash balance of R18.1 million (2022: R13.5 million; 2021: R10.4 million) relates to the Facility for Investments in Renewable Small Transactions (RF) Proprietary Limited facility and serves as a contingency for debt cover over the term of the loan.

The carrying amount of cash and cash equivalents approximates their fair value. Cash and cash equivalents include amounts denominated in the following currencies:

	<b>Audited 2023 R'000</b>	<b>Reviewed 2022 R'000</b>	<b>Reviewed 2021 R'000</b>
Rand	27,806	111,284	108,842
USD	13	1	6,480
Other currencies	192	169	546
<b>Total</b>	<b>28,011</b>	<b>111,454</b>	<b>115,868</b>



**NOTES TO THE COMBINED CARVE-OUT HISTORICAL FINANCIAL INFORMATION FOR THE THREE YEARS ENDED JUNE 2023, JUNE 2022 AND JUNE 2021**

**Note 1: Property, plant, equipment, and right-of-use assets**

	Land and buildings R'000	Plant, equipment and furniture R'000	Vehicles R'000	Right-of-use assets: Plant R'000	Right-of-use assets: Vehicles R'000	Right-of-use assets: Land and buildings R'000	Capital work-in-progress R'000	Total R'000
<b>Audited – 2023</b>								
<b>Cost</b>								
At the beginning of the year	1,418,269	3,052,901	64,035	17,528	110,133	10,241	201,000	<b>4,874,107</b>
Transfers between categories and intangible assets	(3,534)	3,534	–	–	–	–	2,774	<b>2,774</b>
Additions <sup>1,2</sup>	70,082	323,949	4,253	5,299	157,750	1,123	10,904	<b>573,360</b>
Disposals	(3,243)	(94,743)	(1,801)	(4,159)	(61,476)	–	–	<b>(165,422)</b>
Remeasurements	–	–	–	(45)	3,337	–	–	<b>3,292</b>
<b>At the end of the year</b>	<b>1,481,574</b>	<b>3,285,641</b>	<b>66,487</b>	<b>18,623</b>	<b>209,744</b>	<b>11,364</b>	<b>214,678</b>	<b>5,288,111</b>
<b>Accumulated depreciation and impairment</b>								
At the beginning of the year	964,802	2,065,462	49,562	8,704	83,674	3,080	–	<b>3,175,284</b>
Transfers between categories and intangible assets	(116)	116	–	–	–	–	–	<b>–</b>
Disposals	(3,167)	(94,397)	(1,461)	(1,745)	(48,584)	–	–	<b>(149,354)</b>
Impairment loss	–	1,417	–	–	–	–	–	<b>1,417</b>
Depreciation	52,049	162,669	5,268	2,869	36,669	2,109	–	<b>261,633</b>
<b>At the end of the year</b>	<b>1,013,568</b>	<b>2,135,267</b>	<b>53,369</b>	<b>9,828</b>	<b>71,759</b>	<b>5,189</b>	<b>–</b>	<b>3,288,980</b>
<b>Net book amount</b>	<b>468,006</b>	<b>1,150,374</b>	<b>13,118</b>	<b>8,795</b>	<b>137,985</b>	<b>6,175</b>	<b>214,678</b>	<b>1,999,131</b>
<b>Reviewed – 2022</b>								
<b>Cost</b>								
At the beginning of the year	1,321,696	2,858,170	59,731	15,552	118,721	10,084	114,223	4,498,177
Transfers between categories and intangible assets	46,411	96,475	79	–	–	–	(142,314)	651
Additions <sup>1,2</sup>	50,162	125,827	4,859	1,977	19,685	1,530	229,091	433,131
Disposals	–	(27,572)	(634)	–	(32,922)	(1,373)	–	(62,501)
Modification of leases	–	–	–	(1)	–	–	–	(1)
Remeasurements	–	–	–	–	4,649	–	–	4,649
<b>At the end of the year</b>	<b>1,418,269</b>	<b>3,052,900</b>	<b>64,035</b>	<b>17,528</b>	<b>110,133</b>	<b>10,241</b>	<b>201,000</b>	<b>4,874,106</b>
<b>Accumulated depreciation and impairment</b>								
At the beginning of the year	921,137	1,945,121	44,713	5,687	57,584	2,973	–	2,977,215
Disposals	–	(26,462)	(618)	–	(19,791)	(1,366)	–	(48,237)
Depreciation	43,665	146,803	5,467	3,017	45,881	1,473	–	246,306
<b>At the end of the year</b>	<b>964,802</b>	<b>2,065,462</b>	<b>49,562</b>	<b>8,704</b>	<b>83,674</b>	<b>3,080</b>	<b>–</b>	<b>3,175,284</b>
<b>Net book amount</b>	<b>453,467</b>	<b>987,438</b>	<b>14,473</b>	<b>8,824</b>	<b>26,459</b>	<b>7,161</b>	<b>201,000</b>	<b>1,698,822</b>

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

2 Right-of-use asset additions are non-cash additions.

	Land and buildings R'000	Plant, equip- ment and furniture R'000	Vehicles R'000	Right- of-use assets: Plant R'000	Right- of-use assets: Vehicles R'000	Right- of-use assets: Land and buildings R'000	Capital work-in- progress R'000	Total R'000
<b>Reviewed – 2021</b>								
<b>Cost</b>								
At the beginning of the year	1,268,780	2,476,967	58,968	15,555	121,096	10,098	431,796	4,383,260
Transfers between categories and intangible assets	35,196	424,358	1,544				(461,075)	23
Additions <sup>1, 2</sup>	24,578	93,969	1,759		25,382		143,502	289,190
Disposals	(6,857)	(137,124)	(2,540)		(29,002)			(175,523)
Modification of leases				(3)	1,245	(12)		1,226
<b>At the end of the year</b>	<b>1,321,697</b>	<b>2,858,170</b>	<b>59,731</b>	<b>15,552</b>	<b>118,721</b>	<b>10,082</b>	<b>114,223</b>	<b>4,498,176</b>
<b>Accumulated depreciation and impairment</b>								
At the beginning of the year	894,086	1,951,127	41,727	2,700	30,709	1,488		2,921,837
Transfers between categories and intangible assets		(27)						(27)
Disposals	(6,830)	(136,482)	(2,332)		(11,477)			(157,121)
Impairment loss		2,088						2,088
Depreciation	33,881	128,415	5,318	2,987	38,352	1,485		210,438
<b>At the end of the year</b>	<b>921,137</b>	<b>1,945,121</b>	<b>44,713</b>	<b>5,687</b>	<b>57,584</b>	<b>2,973</b>		<b>2,977,215</b>
<b>Net book amount</b>	<b>400,560</b>	<b>913,049</b>	<b>15,018</b>	<b>9,865</b>	<b>61,137</b>	<b>7,109</b>	<b>114,223</b>	<b>1,520,961</b>

**Capital commitments:**

	Audited 2023 R'000	Reviewed 2022 R'000	Reviewed 2021 R'000
Contracted and committed	90,686	277,228	179,936
Approved but not contracted	60,743	69,414	53,303

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

A register of land and buildings is available for inspection at the registered office of the Company.

RainbowCo assesses the useful lives and residual values of property, plant and equipment on an ongoing basis. This assessment is performed by the relevant finance departments, in conjunction with the operations' engineering staff. The assessment of useful lives is assessed based on the expected future usage of the asset, and historical lives of similar assets that were eventually taken out of use.

<sup>1</sup> Transfers out of capital work-in-progress have been disclosed within additions of each of the appropriate individual categories.

<sup>2</sup> Right-of-use asset additions are non-cash additions.

**Note 2: Intangible assets**

	<b>Software R'000</b>	<b>Trademarks R'000</b>	<b>Goodwill R'000</b>	<b>Capital work-in- progress R'000</b>	<b>Total R'000</b>
<b>June 2023 – Audited</b>					
Opening net book amount	20,093	5,476	19,315	3,454	<b>48,338</b>
Additions	7,636				<b>7,636</b>
Disposals	(6)				<b>(6)</b>
Transfers between categories and property, plant and equipment				(2,774)	<b>(2,774)</b>
Amortisation charge	(4,553)				<b>(4,553)</b>
<b>Closing net book amount</b>	<b>23,170</b>	<b>5,476</b>	<b>19,315</b>	<b>680</b>	<b>48,641</b>
<b>Cost</b>	91,532	55,976	19,315	680	<b>167,504</b>
Accumulated amortisation and impairment	(68,363)	(50,500)			<b>(118,863)</b>
<b>Net book amount</b>	<b>23,170</b>	<b>5,476</b>	<b>19,315</b>	<b>680</b>	<b>48,641</b>
<b>June 2022 – Reviewed</b>					
Opening net book amount	27,486	5,476	19,315	4,105	<b>56,382</b>
Additions	1,006			228	<b>1,234</b>
Transfers between categories and property, plant and equipment	228			(879)	<b>(651)</b>
Amortisation charge	(8,627)			–	<b>(8,627)</b>
<b>Closing net book amount</b>	<b>20,093</b>	<b>5,476</b>	<b>19,315</b>	<b>3,454</b>	<b>48,338</b>
<b>Cost</b>	83,967	55,976	19,315	3,454	<b>162,712</b>
Accumulated amortisation and impairment	(63,874)	(50,500)	–	–	<b>(114,374)</b>
<b>Net book amount</b>	<b>20,093</b>	<b>5,476</b>	<b>19,315</b>	<b>3,454</b>	<b>48,338</b>
<b>June 2021 – Reviewed</b>					
Opening net book amount	36,917	5,476	19,315	4,089	<b>65,797</b>
Additions	295			2,488	<b>2,783</b>
Disposals	(242)				<b>(242)</b>
Transfers between categories and property, plant and equipment	2,422			(2,472)	<b>(50)</b>
Amortisation charge	(11,906)				<b>(11,906)</b>
<b>Closing net book amount</b>	<b>27,486</b>	<b>5,476</b>	<b>19,315</b>	<b>4,105</b>	<b>56,382</b>
<b>Cost</b>	82,733	55,976	19,315	4,105	<b>162,129</b>
Accumulated amortisation and impairment	(55,247)	(50,500)	–	–	<b>(105,747)</b>
<b>Net book amount</b>	<b>27,486</b>	<b>5,476</b>	<b>19,315</b>	<b>4,105</b>	<b>56,382</b>

The remaining useful lives on intangible assets are between 1 and 18 years.

<b>Software</b>	<b>Audited 2023</b>	<b>Reviewed 2022</b>	<b>Reviewed 2021</b>
Finite life			
Amortisation period	3 to 20 years	3 to 20 years	3 to 20 years
Method of amortisation	Straight-line	Straight-line	Straight-line
Is intangible title restricted in any way?	No	No	No

**Trademarks:**

The carrying value of trademarks are included in the following CGU's:

<b>CGU</b>	<b>Trademarks</b>	<b>Useful life</b>	<b>Audited 2023 R'000</b>	<b>Reviewed 2022 R'000</b>	<b>Reviewed 2021 R'000</b>
Chicken <sup>1</sup>	Farmer Brown, Bonny Bird, Farm Free	Finite	-	-	-
Epol Animal Feed	Epol, Driehoek and Equus	Indefinite and Finite	5,476	5,476	5,476
<b>Total</b>			<b>5,476</b>	<b>5,476</b>	<b>5,476</b>

Intangibles with a finite useful life have been fully amortised or impaired to nil.

<b>Trademarks Finite life</b>	<b>Audited 2023</b>	<b>Reviewed 2022</b>	<b>Reviewed 2021</b>
Amortisation period	15 years	15 years	15 years
Method of amortisation	Straight- line	Straight- line	Straight- line
Is intangible title restricted in any way?	No	No	No

Trademarks comprise Farmer Brown, Bonny Bird, FarmFare and Epol, all of which were acquired on acquisition of Bonny Bird Farms Proprietary Limited and Epol Proprietary Limited in 1991.

<b>Trademarks Indefinite life</b>	<b>Audited 2023</b>	<b>Reviewed 2022</b>	<b>Reviewed 2021</b>
Is intangible title restricted in any way?	No	No	No

Trademarks comprise Winterveld, Lotmix, Driehoek and Equus which were acquired as part of the acquisition of Driehoek Feeds in the 2019 financial year.

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

**Goodwill:**

Goodwill arises from business combinations and relates to the acquisition of Driehoek Feeds in 2019 (included in the Epol Animal Feed CGU below). At year-end, RainbowDiv has goodwill of R19.3 million (2022: R19.3 million; 2021: R19.3 million). IAS 36 requires an entity to test an intangible asset with an indefinite useful life and goodwill acquired in a business combination annually for impairment. Refer to note 3 for detail on impairment assessments.

	<b>Opening R'000</b>	<b>Closing R'000</b>
<b>2023 – Audited</b>		
Feed	19,315	19,315
<b>Total</b>	<b>19,315</b>	<b>19,315</b>
<b>2022 – Reviewed</b>		
Feed	19,315	19,315
<b>Total</b>	<b>19,315</b>	<b>19,315</b>
<b>2021 – Reviewed</b>		
Feed	19,315	19,315
<b>Total</b>	<b>19,315</b>	<b>19,315</b>

<sup>1</sup> The trademarks within these CGUs have a carrying amount of Rnil.

### Capital work-in-progress:

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

### Note 3: Impairments

Annual impairment assessments are conducted on cash-generating units (“CGUs”) containing goodwill and other indefinite useful life intangible assets, in accordance with the requirements of IAS 36. IAS 36 also requires a CGU to be tested for impairment where there is an indication of impairment. The Epol Animal Feed CGU includes goodwill arising on the acquisition of Driehoek Feeds in 2019 and as such is required to be tested for impairment annually. The low profitability in Chicken is an impairment indicator, and the CGU has therefore been tested for impairment as detailed below.

The impairment loss of R1.4 million in the current financial year (2022: nil; 2021: R2.1 million) relates to individual items of property, plant and equipment which became redundant.

The assumptions used in the value-in-use calculations are presented below. These calculations use cash flow projections based on financial budgets approved by management, which include assumptions on profit before tax, working capital and capital maintenance expenditure. The forecast cash flows used in the value-in-use calculations are the output of RainbowDiv’s five-year business planning process. The assumptions used in the value-in-use calculations include:

- Volume growth: RainbowDiv is a food producer with products sold mainly in the South African market. Volume assumptions are therefore closely linked to population and GDP growth forecasts for South Africa. Compounded volume growth over the five-year period does not exceed long-term GDP forecasts, apart from additional volume resulting from recent capital investments which have yet to reach full production and innovation/new product launches serviced from existing capacity.
- Selling price and cost growth are linked to Consumer Price Index (CPI) and food inflation (which tracks ahead of CPI).
- Capital expenditure: Capital expenditure spend is limited to replacement capital expenditure spend, in line with RainbowDiv’s maintenance programmes.
- Working capital: Working capital is based on the output of RainbowDiv’s five-year business planning process.
- The cash flow beyond year five (terminal cash flow) has assumed a steady state of growth with capital expenditure equal to depreciation, volumes and profit margins maintained at year five levels with the growth beyond year five resulting solely from price inflation.
- Perpetuity growth rate and discount rate: In the current year a perpetuity growth rate of 4.0% (2022:4.0%); (2021: 4.0%) was applied.

A reasonable possible change in these assumptions is not expected to result in a material change to the impairment losses, or headroom available, in any of the cash-generating units.

Key assumptions used in the current period impairment test were as follows<sup>1</sup>:

<b>2023 – Audited</b>	<b>Discount rate pre-tax %</b>	<b>Perpetuity growth rate %</b>	<b>Period years</b>
Feed	20.1	4.0	5
Chicken	19.0	4.0	5

Sensitivity analysis of assumptions used in the current period impairment test<sup>2</sup>:

<b>2023 – Audited</b>	<b>Discount rate movement (%)</b>	<b>Total impairment<sup>2</sup> (R’m)</b>	<b>Perpetuity growth rate movement (%)</b>	<b>Total impairment<sup>2</sup> (R’m)</b>
Feed	+1.0	Nil	(0.5)	Nil
Chicken	+1.0	120.1	(0.5)	Nil

Key assumptions related to the Chicken CGU also include the feed conversion ratio, net invoice prices and feed input prices. A sensitivity analysis of the above assumptions used in the current period impairment test for the Chicken CGU is presented below:

<sup>1</sup> The key assumptions and impairment sensitivities above relate to the full carrying value of the CGUs.

<sup>2</sup> Where sufficient headroom is available, no impairment will be applicable.

<b>2023 – Audited</b>	<b>Movement</b>	<b>Total impairment<sup>2</sup> (Rm)</b>	<b>Movement</b>	<b>Total impairment<sup>2</sup> (Rm)</b>
Feed conversion ratio	+1.0%	43,1	(1.0%)	Nil
Net invoice price	+1.0%	Nil	(1.0%)	943,9
Feed input price	+R100/ton	Nil	(R100/ton)	Nil

Key assumptions used in the 2022 financial year impairment test were as follows<sup>1</sup>:

<b>2022 – Reviewed</b>	<b>Discount rate pre-tax (%)</b>	<b>Perpetuity growth rate (%)</b>	<b>Period years</b>
Feed	17.5	4.0	5
Chicken	17.8	4.0	5

Sensitivity analysis of assumptions used in the 2022 impairment test<sup>2</sup>:

<b>2022 – Reviewed</b>	<b>Discount rate movement (%)</b>	<b>Total impairment (R'm)</b>	<b>Perpetuity growth rate movement (%)</b>	<b>Total impairment (R'm)</b>
Feed	+1.0	Nil	(0.5)	Nil
Chicken	+1.0	306,9	(0.5)	116.6

Key assumptions used in the 2021 financial year impairment test were as follows<sup>1</sup>:

<b>2021 – Reviewed</b>	<b>Discount rate pre-tax (%)</b>	<b>Perpetuity growth rate (%)</b>	<b>Period years</b>
Feed	15.9	4.0	5
Chicken	17.6	4.0	5

Sensitivity analysis of assumptions used in the 2021 financial year impairment test were as follows<sup>1</sup>:

<b>2021 – Reviewed</b>	<b>Discount rate movement (%)</b>	<b>Total impairment (Rm)</b>	<b>Perpetuity growth rate movement (%)</b>	<b>Total impairment (Rm)</b>
Feed	+1.0	Nil	(0.5)	Nil
Chicken	+1.0	218,5	(0.5)	52,2

#### **Note 4: Inventories**

	<b>Audited 2023 R'000</b>	<b>Reviewed 2022 R'000</b>	<b>Reviewed 2021 R'000</b>
Raw Materials	348,022	344,322	125,854
Finished Goods & Merchandise	663,182	418,296	680,062
Consumable Stores	131,518	118,828	106,041
Work In Progress	19,958	14,838	9,353
Provision For Inventories	(54,100)	(20,969)	(20,854)
<b>At the end of the year</b>	<b>1,108,580</b>	<b>875,315</b>	<b>900,456</b>
Carrying value of inventory written down to net realisable value	657,193	164,264	262,980
Amount expensed as write-down to net realisable value	88,559	18,228	25,971

<sup>1</sup> The key assumptions and impairment sensitivities above relate to the full carrying value of the CGUs.

<sup>2</sup> Where sufficient headroom is available, no impairment will be applicable.

RainbowCo's net realisable value write-down is R88.6 million (2022: R18.2 million; 2021: R26.0 million). Due to the fast-moving nature of the products, RainbowCo bases its write-down calculation on actual selling price information available post year-end related to these products which supports the net realisable value of stock on hand. In addition, the current year amount includes a write-down on feed stocks driven by lower selling prices for feed post year-end.

**Note 5: Biological assets**

	<b>Breeding stock R'000</b>	<b>Broiler stock R'000</b>	<b>Total R'000</b>
<b>2023 – Audited</b>			
At the beginning of the year at fair value	493,897	388,895	882,792
Gains arising from cost inputs	1,787,504	6,494,668	8,282,172
Decrease due to harvest/transferred to cost of sales	(1,711,189)	(6,464,915)	(8,176,103)
Fair value adjustments recorded in profit or loss	7,315	12,408	19,723
<b>At the end of the year at fair value</b>	<b>577,527</b>	<b>431,056</b>	<b>1,008,583</b>
<b>2022 – Reviewed</b>			
At the beginning of the year at fair value	408,978	292,279	701,257
Gains arising from cost inputs	1,475,957	4,808,033	6,283,990
Decrease due to harvest/transferred to cost of sales	(1,381,813)	(4,730,155)	(6,111,968)
Fair value adjustments recorded in profit or loss	(9,225)	18,738	9,513
<b>At the end of the year at fair value</b>	<b>493,897</b>	<b>388,895</b>	<b>882,792</b>
<b>2021 – Reviewed</b>			
At the beginning of the year at fair value	366,699	177,577	544,276
Gains arising from cost inputs	1,301,984	4,125,451	5,427,435
Decrease due to harvest/transferred to cost of sales	(1,263,675)	(4,029,933)	(5,293,608)
Fair value adjustments recorded in profit or loss	3,970	19,184	23,154
<b>At the end of the year at fair value</b>	<b>408,978</b>	<b>292,279</b>	<b>701,257</b>

The financial risk management disclosures relating to the fair value estimation of RainbowDiv's biological assets is included in note 21.

**Note 6: Trade receivables**

	<b>Audited 2023 R'000</b>	<b>Reviewed 2022 R'000</b>	<b>Reviewed 2021 R'000</b>
<b>Current:</b>			
Trade receivables	2,149,444	2,042,741	1,175,553
Less: Expected credit loss allowance	(8,538)	(6,725)	(10,460)
Net trade receivables	2,140,906	2,036,016	1,165,093
Prepayments	53,407	53,212	46,392
Other receivables <sup>1</sup>	75,506	28,353	69,165
<b>At the end of the year</b>	<b>2,269,819</b>	<b>2,117,581</b>	<b>1,280,650</b>
A summary of RainbowCo's trade receivables covered by insurance or secured by collateral is as follows:			
Terms (days)	0 to 45	0 to 45	0 to 45
Collateral held/insurance	Yes	Yes	Yes
Debtors covered by Lombard insurance	91,450	98,829	97,827
Mortgage bonds – registered value		35,000	35,000
Bank guarantees – actual value		1,500	1,500
<b>Total</b>	<b>91,450</b>	<b>135,329</b>	<b>134,327</b>

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

<sup>1</sup> The other receivables consist of various items which are not considered individually material. These items have been assessed for expected credit loss using the general approach in accordance with IFRS 9 and did not result in material expected credit losses.

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

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

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

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

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

RainbowCo has credit insurance in place with Lombard Insurance Company Limited (Lombard) for all domestic trade debtors above R50 000, subject to first loss of R5.0 million. The credit policy requires each new customer to be analysed individually for creditworthiness before delivery and payment terms are offered. The insurance cover is taken out at inception of the sale and is integral to the enactment of the sale. Credit insurance cover has been taken into account in determining the expected credit losses on trade receivables.

	<b>Audited 2023 R'000</b>	<b>Reviewed 2022 R'000</b>	<b>Reviewed 2021 R'000</b>
The loss allowance is calculated using the matrix approach based on the total trade receivables balance; segregated for:	2,149,444	2,042,741	1,175,553
Intercompany and other accounts considered to be low risk <sup>1</sup>	(2,021,707)	(1,935,443)	(1,064,891)
Receivables with specific financial issues	(7,985)	(6,268)	(12,559)
<b>Total</b>	<b>119,752</b>	<b>101,030</b>	<b>98,103</b>

Receivables with specific financial issues have been assessed considering factors such as historic recoverability and individual customer circumstance. This assessment of specific debtors has given rise to the specific provision.

**General trade receivables subject to matrix approach:**

The loss allowance was determined as follows for trade receivables:

	<b>Current R'000</b>	<b>30 days R'000</b>	<b>60 days R'000</b>	<b>90 days R'000</b>	<b>120 days R'000</b>	<b>Total R'000</b>
<b>2023 – Audited</b>						
Expected loss rate	0.2%	1.3%	11.4%	21.0%	21.0%	
Gross carrying amount	98,671	11,893	6,128	2,157	903	119,752
Loss allowance based on matrix approach	227	149	701	453	190	1,720
<b>Loss allowance</b>						<b>1,720</b>
Specific provision for expected credit losses						6,818
<b>Total Expected Credit Losses on trade receivables</b>						<b>8,538</b>

<sup>1</sup> Intercompany receivables mainly relate to the receivable from Vector which was 100% owned by RCL Foods for all three years presented. Other accounts include insured debtors and accounts which have been assessed as low risk based on materiality of balances and payment history.



	<b>Current R'000</b>	<b>30 days R'000</b>	<b>60 days R'000</b>	<b>90 days R'000</b>	<b>120 days R'000</b>	<b>Total R'000</b>
<b>2022 – Reviewed</b>						
Expected loss rate	0.2%	0.9%	13.6%	32.9%	32.9%	
Gross carrying amount	93,315	6,496	822	95	302	101,030
Loss allowance based on matrix approach	159	55	112	31	99	456
<b>Loss allowance</b>						<b>456</b>
Specific provision for expected credit losses						6,269
<b>Total Expected Credit Losses on trade receivables</b>						<b>6,725</b>
<b>2021 – Reviewed</b>						
Expected loss rate	1.2%	6.4%	44.4%	58.1%	58.1%	
Gross carrying amount	90,269	7,700	(21)	(1)	156	98,103
Loss allowance based on matrix approach	1,083	492	(9)	(1)	91	1,656
<b>Loss allowance</b>						<b>1,656</b>
Specific provision for expected credit losses						8,804
<b>Total Expected Credit Losses on trade receivables</b>						<b>10,459</b>

	<b>Audited 2023 R'000</b>	<b>Reviewed 2022 R'000</b>	<b>Reviewed 2021 R'000</b>
<b>Reconciliation of loss allowance:</b>			
At the beginning of the year	(6,725)	(10,460)	(20,466)
(Increase)/decrease in general loss allowance recognised in profit or loss during the year	(1,264)	1,200	295
Increase in specific loss allowance recognised in profit or loss during the year	(2,059)	(1,472)	(1,883)
Receivables written off during the year as uncollectible	277	2,061	7,899
Unutilised amounts reversed on specific provisions	1,233	1,946	3,695
<b>At the end of the year</b>	<b>(8,538)</b>	<b>(6,725)</b>	<b>(10,460)</b>
The carrying amounts of RainbowCo's trade and other receivables are denominated in the following currencies:			
Rand	2,269,819	2,117,399	1,280,650
USD		182	
<b>Total</b>	<b>2,269,819</b>	<b>2,117,581</b>	<b>1,280,650</b>

All current trade and other receivables are due within one year of the reporting date. The carrying amounts of trade and other receivables approximates their fair values.

#### **Note 7: Stated capital**

##### **Authorised Share Capital of RainbowCo:**

100,000 (2022: 100,000; 2021: 100,000) ordinary shares

Issued ordinary shares of no par value

	<b>Number of shares</b>	<b>Audited 2023 R'000</b>	<b>Reviewed 2022 R'000</b>	<b>Reviewed 2021 R'000</b>
At the beginning of the year				
20,000 ordinary shares	20,000	40	40	40
37,475 ordinary shares	37,475	1,176,525	1,176,525	1,176,525
2,338 ordinary shares	2,338	73,399	73,399	73,399
<b>At the end of the year</b>	<b>59,813</b>	<b>1,249,964</b>	<b>1,249,964</b>	<b>1,249,964</b>

Since RainbowCo, as a legal entity, did not hold all operations throughout the Reporting Periods, which were held in other legal entities supported with their own share capital structures, not all attributable share capital may be represented. Similarly, for operations transferred out of RainbowCo, for the purposes of these Combined Carve-out Historical Financial Information, the share capital attributable to such operations has remained in this legal entity with the operations housed in another legal entity.

**Note 8: Share-based payment reserve**

	<b>Audited 2023 R'000</b>	<b>Reviewed 2022 R'000</b>	<b>Reviewed 2021 R'000</b>
<b>Employee share scheme:</b>			
At the beginning of the year	59,212	59,212	59,212
At the end of the year	59,212	59,212	59,212
<b>BEE transaction:</b>			
At the beginning of the year	144,167	141,203	135,824
Employee portion – recurring <sup>1</sup>	–	2,964	5,379
At the end of the year	144,167	144,167	141,203
<b>Total at the end of the year</b>	<b>203,379</b>	<b>203,379</b>	<b>200,415</b>

**Note 9: Interest-bearing liabilities**

**Long-term:**

Loan from Facility for Investments in Renewable Small Transactions (RF) Proprietary Limited	128,461	142,585	73,023
Loan from Green Create W2V SA Proprietary Limited	110,519		
Lease liabilities	103,032	16,966	37,784
<b>Total</b>	<b>342,012</b>	<b>159,551</b>	<b>110,807</b>

**Short-term:**

Loan from Facility for Investments in Renewable Small Transactions (RF) Proprietary Limited	13,301	11,370	3,362
Loan from Green Create W2V SA Proprietary Limited		94,578	102,600
Lease liabilities	54,587	30,251	44,674
<b>Total</b>	<b>67,888</b>	<b>136,199</b>	<b>150,636</b>

**Loan from Green Create W2V SA Proprietary Limited**

Green Create W2V SA Proprietary Limited is a 50% shareholder in Matzonox Proprietary Limited (Matzonox) which houses RainbowDiv's Waste-to-Value operations. Green Create W2V SA Proprietary Limited has provided finance related to the construction of a Waste-to-Value plant in Rustenburg. The repayment date for the loans were revised during the 2023 financial year which resulted in the loan balance being a non-current liability at year-end (2022: R94.6 million; 2021: R102.6 million balances reflected as current liabilities). The loan is unsecured. Interest accrues at the prime rate per annum. The loan is repayable as at September 2024. The funding to Matzonox has been provided in equal proportions by Green Create W2V SA Proprietary Limited and RainbowDiv. RainbowDiv's portion of the funding (R110.5 million) has been eliminated on consolidation.

**Loans from Facility for Investments in Renewable Small Transactions (RF) Proprietary Limited**

The Facility for Investments in Renewable Small Transactions (RF) Proprietary Limited (FIRST) is a debt funding platform created through a partnership between international development funding and a South African commercial bank to unlock funding for small renewable projects. This loan relates to RainbowDiv's Waste-to-Value operations (Matzonox) and was granted in 2 tranches. The first tranche was obtained in 2020 and accrues interest at 3-month JIBAR plus 4.08%. During 2022 a further loan from the FIRST was obtained in Matzonox (second tranche). This loan accrues interest at 3-month JIBAR plus 3.95%. The total loan balance is repayable quarterly over a ten-year term. The loan is secured by:

- a notarial bond registered over the Worcester Waste-to-Value (first tranche) and Rustenburg Waste-to-Value (second tranche) plants;
- certain bank accounts held with First National Bank (Debt-service and Maintenance Reserve Accounts); and
- the shares held by shareholders in Matzonox.

The carrying amount of the loan approximates its fair value with a carrying value in non-current liabilities of R128.5 million (2022: R142.6 million; R73.0 million) and an amount of R13.3 million (2022: R11.4 million; 2021: R3.4 million) is included in short-term borrowings. RCL Foods Limited has guaranteed the loan from FIRST relating to Avian Influenza.

RCL Foods is further bound by the Equity Support, Share retention and Subordination Agreement that requires RCL Foods to advance standby equity contributions in the event of an offtake or feedstock supply agreement being cancelled due to an Avian Influenza or contamination event. RCL Foods will be liable for up to 50% of the amount outstanding with respect to the aforementioned loan.

**Note 10: Loans from Group Companies**

	<b>Audited 2023 R'000</b>	<b>Reviewed 2022 R'000</b>	<b>Reviewed 2021 R'000</b>
<b>Short-term:</b>			
RCL Foods	1,466,157	1,465,667	1,465,739
RCL Foods Treasury	2,034,902	1,292,939	531,107
<b>Total</b>	<b>3,501,059</b>	<b>2,758,606</b>	<b>1,996,846</b>

**RCL Foods**

The loan from RCL Foods is unsecured, does not bear interest and is repayable on demand. Management has applied judgement in determining the classification of these shareholder loans, assessing the terms thereof, and have classified the loans as debt in terms of IFRS which is consistent with the historical classification of RainbowCo.

**RCL Foods Treasury**

The loan from RCL Foods Treasury to RainbowCo is unsecured and is repayable on demand. The interest rate on this loan from RCL Foods Treasury (which varies month to month) was between 6.9% and 10.08% for the current financial year (2022: between 5.48% and 6.79%); (2021 between 3.25% (investment rate) and 5.92%).

**Note 11: Leases**

**Assets:**

The recognised right-of-use assets relate to the following types of assets

	<b>Audited 2023 R'000</b>	<b>Reviewed 2022 R'000</b>	<b>Reviewed 2021 R'000</b>
Land and Buildings	6,175	7,161	7,111
Plant and Equipment	8,795	8,824	9,865
Vehicles	137,984	26,459	61,137
<b>Total right of use-assets</b>	<b>152,953</b>	<b>42,445</b>	<b>78,113</b>

Additions to the right of use assets during the current financial year were R164 million (2022: R23 million, 2021: R25m). For further detail please refer to note 1.

**Liabilities:**

**Long-term**

Lease liabilities	103,032	16,966	37,784
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**Short-term**

Lease liabilities	54,587	30,251	44,674
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Gross lease liabilities	178,901	52,446	91,568
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Due within one year	66,106	31,734	48,617
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Due within two to five years	112,795	16,907	35,885
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Due later than five years	3,805	7,066	
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Future finance charges on lease liabilities	(21,282)	(5,229)	(9,109)
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<b>Present value of lease liabilities</b>	<b>157,619</b>	<b>47,217</b>	<b>82,458</b>
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Due within one year	54,587	30,251	44,674
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Due within two to five years	103,032	13,312	31,272
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Due later than five years	3,654	6,512	
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<b>Total</b>	<b>157,619</b>	<b>47,217</b>	<b>82,459</b>
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For further detail on interest expense relating to the lease liabilities refer to note 16.

### Lease payments not recognised as a liability

The expense relating to payments not included in the measurement of the lease liability has been disclosed in note 16. The payments relating to the IFRS 16 lease liabilities have been disclosed in Note D to the Cash Flow Statement.

At 2 July 2023, RainbowCo has future lease commitments in relation to short term leases of R3.8 million (2022: R2.6 million, 2021: R3.1 million).

### Note 12: Trade and other payables

	<b>Audited 2023 R'000</b>	<b>Reviewed 2022 R'000</b>	<b>Reviewed 2021 R'000</b>
<b>Short-term:</b>			
Trade payables	500,164	357,469	437,939
Accruals	920,150	797,443	436,286
Other payables	213,351	238,008	282,776
<b>Total</b>	<b>1,633,665</b>	<b>1,392,920</b>	<b>1,157,001</b>

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

Included in accruals and other payables above are non-financial liabilities such as payroll liabilities and VAT amounting to R134.6 million (2022: R85.7 million, 2021: R147 million).

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

Rand	1,616,695	1,378,708	1,156,562
USD	14,924	13,931	-
GBP	-	37	439
EUR	2,046	244	-
<b>Total</b>	<b>1,633,665</b>	<b>1,392,920</b>	<b>1,157,001</b>

### Note 13: Deferred income tax

#### Deferred income tax liability movement:

At the beginning of the year	310,813	342,172	343,140
Charge for the year – income statement	(86,483)	(17,985)	7,900
(Credit)/charge for the year – other comprehensive income	1,227	(600)	386
Prior year overprovision	(514)	(4,993)	(9,254)
Change in tax rate	-	(7,781)	-
<b>At the end of the year</b>	<b>225,043</b>	<b>310,813</b>	<b>342,172</b>

#### Deferred income tax liability comprises:

Trademarks, property, plant and equipment	227,097	190,237	172,413
Right of use assets	2,654	13,571	9,075
Inventories and biological assets	282,385	262,485	216,866
Provisions	(50,493)	(52,820)	(43,630)
Derivative financial instruments	5,983	437	17,520
Losses available for set-off against future taxable income	(250,843)	(111,387)	(42,143)
Other	8,260	8,290	12,071
<b>Total</b>	<b>225,043</b>	<b>310,813</b>	<b>342,172</b>
Deferred tax liability due after 12 months	229,749	203,808	181,487
Deferred tax liability due within 12 months	(4,706)	107,005	160,685
<b>Total</b>	<b>225,043</b>	<b>310,813</b>	<b>342,172</b>

	<b>Audited 2023 R'000</b>	<b>Reviewed 2022 R'000</b>	<b>Reviewed 2021 R'000</b>
<b>Deferred income tax asset movement:</b>			
At the beginning of the year	22,640	8,632	(3,148)
Credit for the year – income statement	18,271	14,847	11,780
Prior year overprovision	72		
Change in tax rate		(839)	
<b>At the end of the year</b>	<b>40,983</b>	<b>22,640</b>	<b>8,632</b>
<b>Deferred income tax asset comprises:</b>			
Trademarks, property, plant and equipment	(98,429)	(86,261)	(65,018)
Provisions		1,137	1,179
Losses available for set-off against future taxable income	138,562	106,920	71,579
Other	850	844	892
<b>Total</b>	<b>40,983</b>	<b>22,640</b>	<b>8,632</b>
Deferred tax asset due after 12 months	(98,429)	(86,261)	(65,018)
Deferred tax asset due within 12 months	139,412	108,901	73,650
<b>Total</b>	<b>40,983</b>	<b>22,640</b>	<b>8,632</b>

Deferred tax is calculated on all temporary differences under the liability method using a principal tax rate of 27.0% in the current financial year (2022: 27.0%; 2021: 28.0%). The revised South African corporate tax rate is applicable for years of assessment ending on or after 31 March 2023 and will be applicable to RainbowCo for the 2023 financial year.

Deferred income tax assets are recognised for tax loss carry-forwards to the extent that the realisation of the related tax benefit through future taxable profits is probable. The deferred income tax assets related to assessed losses consist mainly of assessed losses arising from the recent financial performance in Matzonox whose forecasts support the utilisation of the loss in the forecast period.

During the current year entities moved from a deferred tax asset position to a deferred tax liability position.

RainbowDiv has total assessed losses amounting to R3.4 million (2022: Nil; 2021: Nil) that have not been recognised as a deferred tax asset in the current financial year.

Deferred tax assets of R0.94 million (2022: Nil; 2021: Nil) have not been recognised as it is envisaged that there will not be future taxable profits in the foreseeable future against which the deferred tax asset can be utilised. The unrecognised deferred tax assets relate to Matzonox Fertilisers (Pty) Ltd. The recognition of the deferred tax assets in this company will be reassessed when performance of the entities begin to show sustained improvement and it appears likely that there will be future taxable profits available to offset these assessed losses. The assessed losses do not have an expiry date. A breakdown of the deferred tax asset not recognised is provided below.

	<b>Audited 2023 R'000</b>	<b>Reviewed 2022 R'000</b>	<b>Reviewed 2021 R'000</b>
<b>Deferred income tax asset not recognised comprises:</b>			
Assessed loss not recognised as deferred tax asset	942	–	–
	<b>942</b>	<b>–</b>	<b>–</b>

Matzonox Fertilisers Proprietary Limited was acquired by RainbowDiv in the 2023 financial year.

#### **Note 14: Revenue from contracts with customers**

Disaggregation of revenue from contracts with customers:

<b>Revenue from contracts with customers</b>	<b>13,463,861</b>	<b>11,384,801</b>	<b>10,335,889</b>
<b>Chicken</b>	<b>11,627,990</b>	<b>9,794,769</b>	<b>8,614,472</b>
– Sale of poultry products	11,190,186	9,432,315	8,273,313
– Sundry sales <sup>1</sup>	437,804	362,454	341,159

<sup>1</sup> Sundry sales consist of poultry by-products. The sale of these items arise in the course of RainbowCo's ordinary activities but are considered cost recoveries as they are by-products of RainbowCo's core operations.

	<b>Audited 2023 R'000</b>	<b>Reviewed 2022 R'000</b>	<b>Reviewed 2021 R'000</b>
<b>Feed</b>	<b>7,761,021</b>	<b>6,002,870</b>	<b>5,489,653</b>
<b>Waste-to-Value</b>	<b>62,145</b>	<b>55,349</b>	<b>42,562</b>
<b>Sales between segments<sup>1</sup></b>	<b>(5,987,295)</b>	<b>(4,468,188)</b>	<b>(3,810,798)</b>
Timing of revenue recognition:			
Point in time	13,463,861	11,384,801	10,335,889
<b>Major customers:</b>			
Revenue from RainbowCo's top five customers is as follows:			
– Customer A	2,100,982	2,118,727	2,001,630
– Customer B	1,433,193	1,314,111	1,162,893
– Customer C	1,387,099	725,250	641,163
– Customer D	694,348	523,301	322,047
– Customer E	673,030	575,600	466,355
The above revenue is included in the segments above.			
<b>Analysis of revenue:</b>			
Sale of poultry products	11,521,632	9,690,541	8,554,174
Sale of Animal Feed	1,940,050	1,694,260	1,781,715
Energy recoveries	2,179		
<b>Total</b>	<b>13,463,861</b>	<b>11,384,801</b>	<b>10,335,889</b>
All revenue is earned within South Africa.			
<b>Note 15: Operating (loss)/profit</b>			
Revenue from contracts with customers	13,463,861	11,384,801	10,335,889
Cost of sales	(12,276,876)	(9,961,301)	(9,192,037)
Gross profit	1,186,985	1,423,500	1,143,852
Administration expenses	(481,374)	(542,512)	(492,182)
Selling and marketing expenses	(170,676)	(174,781)	(160,259)
Distribution expenses	(924,932)	(802,377)	(888,530)
Net Impairments <sup>2</sup>	(1,417)	–	(2,088)
Other income	162,455	177,448	189,832
<b>Operating (loss)/profit</b>	<b>(228,959)</b>	<b>81,278</b>	<b>(209,375)</b>
<b>Material and disclosable items – other income:</b>			
Profit on disposal of property, plant and equipment	772	14	764
Profit on disposal of assets held for sale	–	–	3,141
Fair value adjustment on biological assets	19,722	9,513	23,154
Fair value adjustment on derivatives	81,184	95,636	96,254
Gain on remeasurement of leases	–	2,148	402
Foreign exchange gains	6,817	4,016	7,300
Insurance proceeds	12,796	28,498	19,551
Rental income – operating leases	41,165	37,025	35,171

<sup>1</sup> Refer to note 20 for further detail.

<sup>2</sup> Net impairment on property, plant and equipment and intangible assets.

	<b>Audited 2023 R'000</b>	<b>Reviewed 2022 R'000</b>	<b>Reviewed 2021 R'000</b>
<b>Material and disclosable items – expenses:</b>			
Technical consultants and legal fees	8,080	7,045	11,706
Fair value adjustment on derivatives	77	72,953	70,782
Impairment of property, plant and equipment and right-of-use assets	1,417	–	2,088
<b>Lease payments</b>	<b>18,583</b>	<b>5,661</b>	<b>6,964</b>
– short-term lease expense	18,583	5,661	6,964
Loss allowance – trade receivables	1,813	1,306	1,588
Foreign exchange losses	3,539	5,410	3,204
Inventory expense	9,010,721	7,259,607	6,333,267
Fuel and gas	286,730	157,783	128,231
Utilities	672,079	604,988	543,912
Repairs and maintenance expense	493,840	401,362	383,927
Loss on disposal of intangible asset		–	242
Loss on disposal of property, plant and equipment	1,524	552	963
<b>Staff costs</b>	<b>1,553,320</b>	<b>1,444,140</b>	<b>1,288,834</b>
salaries and wages	1,254,121	1,174,233	1,051,017
share-based payments	1,100	12,883	625
retirement benefit costs	100,178	94,431	81,365
other post-employment benefits	1,998	6,375	1,059
retrenchment costs	1,130	(205)	6,221
other	194,793	156,423	148,547
B-BBEE expense		2,964	5,379
Administration fee paid to Group holding company	104,849	159,487	354,323
<b>Auditors' remuneration</b>	<b>7,759</b>	<b>5,929</b>	<b>5,067</b>
– fees for the audit	6,520	5,773	4,791
– prior year over provision	195	(178)	(2)
– disbursements	115	150	47
– fees for other services	929	184	231
<b>Note 16: Finance costs</b>			
Interest – financial institutions	15,801	11,932	6,142
Interest – Related party	138,276	59,006	26,131
Interest on lease liabilities	5,065	4,664	7,468
Interest – other	14,027	10,130	10,842
<b>Total</b>	<b>173,169</b>	<b>85,732</b>	<b>50,583</b>
<b>Note 17: Finance income</b>			
Interest – financial institutions	4,509	3,289	3,545
Interest – Related party	–	5,968	15,777
Interest – other	589	1,484	1,557
<b>Total</b>	<b>5,098</b>	<b>10,741</b>	<b>20,879</b>

	<b>Audited 2023 R'000</b>	<b>Reviewed 2022 R'000</b>	<b>Reviewed 2021 R'000</b>
<b>Note 18: Income tax expense</b>			
<b>Current tax</b>	<b>(764)</b>	<b>30,675</b>	<b>(58,372)</b>
South African	(74)	29,910	(60,895)
Prior year under/(over) provision	(690)	765	2,523
<b>Deferred tax</b>	<b>(105,339)</b>	<b>(44,768)</b>	<b>(13,133)</b>
South African	(104,825)	(32,832)	(3,880)
Chain tax rate	–	(6,943)	–
Prior year under/(over) provision	(514)	(4,993)	(9,254)
<b>Total</b>	<b>(106,103)</b>	<b>(14,093)</b>	<b>(71,505)</b>
<b>Reconciliation of tax rate:</b>			
(Loss)/profit before tax	(392,128)	1,559	(233,270)
Tax charge at 27% (2022: 28%; 2021: 28%)	(105,875)	437	(65,316)
– tax rate change	–	(6,943)	–
– share of associates' profits	(1,324)	1,324	(1,627)
– non-taxable income	(2,607)	(2,753)	(622)
– prior year under/(over) provision – current	(690)	765	2,523
– prior year overprovision – deferred	(514)	(4,993)	(9,254)
– non-deductible impairment of assets	383	–	585
– non-deductible loss on disposal of assets	411	149	337
– non-taxable profit on disposal of assets	(208)	(4,931)	(1,085)
– unrecognised deferred tax on assessed losses	962	–	–
– non-deductible IFRS 2 charges	–	947	1,343
– non-deductible depreciation and amortisation	1,229	773	468
– other non-deductible items	2,130	1,132	1,143
<b>Tax charge</b>	<b>(106,103)</b>	<b>(14,093)</b>	<b>(71,505)</b>

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

**Note 19: Earnings and headline earnings**

	<b>Audited 2023 R'000</b>	<b>Reviewed 2022 R'000</b>	<b>Reviewed 2021 R'000</b>
<b>Earnings:</b>			
Profit attributable to equity holders of the Company	(259,483)	35,158	(146,612)

**Headline earnings**

Headline earnings has been calculated and disclosed in accordance with the JSE Listings Requirements, and in terms of circular 1/2023 issued by SAICA. Disclosure of headline earnings is not a requirement of IFRS, but it is a commonly used measure of earnings in South Africa that is more closely aligned to the operating activities of the entity. The items excluded from the calculation of headline earnings meet the definition of separately identifiable remeasurements as defined in circular 1.



	<b>Gross R'000</b>	<b>Net R'000</b>
<b>Headline earnings – June 2023 – Audited</b>		
Headline earnings reconciliation:		
<b>Profit for the year attributable to equity holders of RainbowCo</b>		<b>(259,483)</b>
Net impairments	1,417	1,034
Insurance proceeds on fixed assets	(10,145)	(7,406)
Profit or loss on disposal of property, plant and equipment	752	549
Reclassification of foreign currency translation reserve to profit or loss on disposal of investment	(9,654)	(9,654)
Loss on sale of associate	1,955	1,955
<b>Headline earnings</b>		<b>(273,005)</b>
<b>Headline earnings – June 2022 – Reviewed:</b>		
Headline earnings reconciliation:		
<b>Profit for the year attributable to equity holders of RainbowCo</b>		<b>35,158</b>
Change in interest of associate	(2,768)	(2,768)
Insurance proceeds on fixed assets	(156)	(114)
Profit or loss on disposal of property, plant and equipment	535	390
<b>Headline earnings</b>		<b>32,667</b>
<b>Headline earnings – June 2021 – Reviewed</b>		
Headline earnings reconciliation:		
<b>Profit for the year attributable to equity holders of RainbowCo</b>		<b>(146,612)</b>
Net impairments	2,088	1,504
Insurance proceeds on fixed assets	(49)	(35)
Profit or loss on disposal of property, plant and equipment	(2,660)	(1,915)
Change in interest of associate	(2,298)	(2,298)
<b>Headline earnings</b>		<b>(149,356)</b>

#### **Note 20: Operating segments**

The Chief Executive Officer (CEO) is the Chief Operating Decision Maker. The CEO assesses the performance of the operating segments based on operating profit before depreciation, amortisation and impairment (EBITDA) and operating profit (EBIT).

The RainbowDiv business is made up of the following segments:

- Chicken.
- Feed (consisting of Epol and Driehoek).
- Waste-to-Value (consisting of Matzonox and Matzonox Fertilisers).
- Group (other immaterial segments).

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

	<b>Audited 2023 R'000s</b>	<b>Reviewed 2022 R'000s</b>	<b>Reviewed 2021 R'000s</b>
<b>Revenue from contracts with customers</b>	<b>13,463,860</b>	<b>11,384,801</b>	<b>10,335,889</b>
Chicken	11,627,989	9,794,769	8,614,472
Feed	7,761,021	6,002,870	5,489,653
Waste-to-Value	62,145	55,349	42,562
Sales between segments:			
Chicken to Feed	(106,358)	(104,228)	(60,298)
Feed to Chicken	(5,820,971)	(4,308,610)	(3,707,938)
Waste-to-Value to Chicken	(59,966)	(55,349)	(42,562)

	<b>Audited 2023 R'000s</b>	<b>Reviewed 2022 R'000s</b>	<b>Reviewed 2021 R'000s</b>
<b>Operating profit before depreciation, amortisation and impairments (EBITDA)</b>	<b>38,644</b>	<b>336,211</b>	<b>15,059</b>
Chicken	(234,843)	50,155	(237,112)
Feed	262,339	276,792	238,680
Waste-to-Value	2,903	7,427	12,258
Group	8,245	1,837	1,233
<b>Depreciation, amortisation and impairments</b>	<b>(267,603)</b>	<b>(254,933)</b>	<b>(224,434)</b>
Chicken	(196,175)	(184,149)	(157,267)
Epol Animal Feed	(39,338)	(41,491)	(40,266)
Waste-to-Value	(32,090)	(29,293)	(26,901)
<b>Operating (loss)/profit</b>	<b>(228,959)</b>	<b>81,278</b>	<b>(209,375)</b>
Chicken	(431,019)	(133,993)	(394,379)
Feed	223,001	235,301	198,414
Waste-to-Value	(29,186)	(21,867)	(14,642)
Group <sup>1</sup>	8,245	1,836	1,232
<b>Operating (loss)/profit</b>	<b>(228,959)</b>	<b>81,278</b>	<b>(209,375)</b>
Finance costs	(173,169)	(85,732)	(50,583)
Finance income	5,098	10,741	20,879
<b>Share of profits/(loss) of associates</b>	<b>4,903</b>	<b>(4,730)</b>	<b>5,810</b>
Ugandan Operation (HMH)	4,903	(4,730)	5,810
<b>(Loss)/profit before tax</b>	<b>(392,127)</b>	<b>1,557</b>	<b>(233,269)</b>
<b>Assets:</b>			
Chicken	5,407,496	4,543,758	3,438,967
Feed	1,544,438	1,258,602	1,271,317
Waste-to-Value	453,819	459,858	423,157
Unallocated Group assets	51,324	38,880	41,327
Set-off of inter-segment balances	(929,289)	(490,938)	(405,001)
<b>Total per statement of financial position</b>	<b>6,527,788</b>	<b>5,810,160</b>	<b>4,769,767</b>
<b>Liabilities:</b>			
Chicken	5,426,473	4,065,853	2,926,420
Feed	823,039	791,210	897,051
Waste-to-Value	479,808	435,265	359,548
Unallocated Group liabilities	16,913	15,169	16,643
Set-off of inter-segment balances	(929,289)	(490,938)	(405,001)
<b>Total per statement of financial position</b>	<b>5,816,944</b>	<b>4,816,559</b>	<b>3,794,661</b>

	<b>Audited 2023 R'000s</b>	<b>Reviewed 2022 R'000s</b>	<b>Reviewed 2021 R'000s</b>
<b>Additions to property, plant, and equipment and intangible assets</b>			
<b>Chicken:</b>			
Property, plant and equipment	(351,225)	(325,695)	(222,201)
Intangible assets	(61)	(785)	(2,133)
<b>Feed:</b>			
Property, plant and equipment	(54,150)	(46,821)	(22,720)
Intangible assets	(7,575)	(449)	(649)
<b>Waste-to-Value:</b>			
Property, plant and equipment	(3,808)	(37,423)	(18,886)
<b>Impairment losses<sup>1</sup>:</b>			
Chicken	1,417		2,088
<b>Depreciation and amortisation:</b>			
Chicken	194,758	184,149	155,178
Feed	39,338	41,491	40,266
Waste-to-Value	32,090	29,293	26,901

#### **Note 21: Financial risk management**

##### **Financial risk factors:**

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

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

The RCL Foods board of directors has overall responsibility for the establishment and oversight of the Rainbow Div risk management framework. The RCL Foods board of directors has established the Risk Committee which is responsible for developing and monitoring Rainbow Div's risk management policies. The RCL Foods Risk Committee reports regularly to the RCL Foods board of directors on its activities.

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

The RCL Foods Audit Committee oversees how management monitors compliance with Rainbow Div's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by Rainbow Div. The RCL Foods Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the RCL Foods Audit Committee.

##### **Credit risk:**

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

<sup>1</sup> These impairments relate only to impairments of property, plant and equipment and intangible assets.

Rainbow Div's exposure to credit risk with regards to trade and other receivables is influenced mainly by the individual characteristics of each customer and there is no significant concentration of risk related to industry segments. The granting of credit is controlled by well-established criteria that are reviewed on a regular basis, with customers that are assessed to have low probabilities of default in accordance with internal credit policies being granted credit. The terms granted to trade debtors are determined by management by assessing the credit quality of customers taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal ratings in accordance with limits set by the board. The compliance with credit limits by customers is regularly monitored by line management. The maximum exposure to credit risk at the reporting date is the carrying amount of each trade receivable (refer to note 6) and amounts guaranteed as disclosed in this note.

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

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

	<b>Audited 2023 R'000s</b>	<b>Reviewed 2022 R'000s</b>	<b>Reviewed 2021 R'000s</b>
<b>Rating:</b>			
NP <sup>1</sup>	27,805	111,215	115,551
Cash on hand	206	240	317
<b>Total</b>	<b>28,011</b>	<b>111,455</b>	<b>115,868</b>

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

**Liquidity risk:**

RainbowDiv actively monitors its cash flows to ensure there is sufficient cash available to meet its working capital requirements. Management monitors rolling forecasts of Rainbow Div's cash and cash equivalents requirements on the basis of expected cash flow. RainbowDiv has implemented a turnaround plan, which will significantly improve its liquidity into future periods. The turnaround plan entailed the appointment of a new management team that implemented policies and procedures to monitor liquidity risk by negotiating and securing credit facilities for RainbowDiv with reputable financial institutions to satisfy expected future cash requirements, as well as the deferral of shareholder distributions until such time as the board is satisfied that certain financial metrics will be met.

In order to affect the unbundling, the recapitalisation of the RCL Foods Limited shareholder loan and a portion of the RCL Foods Treasury loan were, totalling R2.8 billion, took place in February 2024.

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

<sup>1</sup> Credit ratings for financial institutions have been obtained from Moodys. Issuers, or supporting institutions, rated Not Prime (NP) do not fall within any of the prime rating categories.

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

	Carrying value R'000	Less than one year R'000	One to two years R'000	Two to three years R'000	Greater than three years R'000	Total R'000
<b>2023 – Audited</b>						
Interest-bearing liabilities – non-current	238,979	–	160,913	35,100	162,898	358,911
Interest-bearing liabilities – current	13,301	30,541	–	–	–	30,541
Lease liabilities – non-current	103,032	–	64,157	41,736	6,902	112,795
Loan from RCL Foods	1,466,157	1,466,157	–	–	–	1,466,157
Loan from RCL Foods Treasury	2,034,902	2,034,902	–	–	–	2,034,902
Lease liabilities – current	54,587	66,106	–	–	–	66,106
Trade and other payables	1,499,178	1,499,178	–	–	–	1,499,178
<b>Total</b>	<b>5,410,136</b>	<b>5,076,854</b>	<b>225,070</b>	<b>76,836</b>	<b>169,800</b>	<b>5,568,590</b>
<b>2022 – Reviewed</b>						
Interest-bearing liabilities – non-current	142,585	–	28,174	28,225	169,896	226,295
Interest-bearing liabilities – current	105,948	105,948	–	–	–	105,948
Lease liabilities – non-current	16,966	–	5,573	4,184	10,955	20,712
Loan from RCL Foods	1,465,667	1,465,667	–	–	–	1,465,667
Loan from RCL Foods Treasury	1,292,939	1,292,939	–	–	–	1,292,939
Bank overdraft	7,741	7,741	–	–	–	7,741
Lease liabilities – current	30,251	31,734	–	–	–	31,734
Trade and other payables	1,307,255	1,307,255	–	–	–	1,307,255
Derivative financial liabilities	378	378	–	–	–	378
<b>Total</b>	<b>4,369,730</b>	<b>4,211,662</b>	<b>33,747</b>	<b>32,409</b>	<b>180,851</b>	<b>4,458,669</b>
<b>2021 – Reviewed</b>						
Interest-bearing liabilities – non-current	73,023	–	10,240	10,978	87,235	108,453
Interest-bearing liabilities – current	105,962	105,962	–	–	–	105,962
Lease liabilities – non-current	37,784	–	20,531	4,176	18,244	42,951
Loan from RCL Foods	1,465,739	1,465,739	–	–	–	1,465,739
Loan from RCL Foods Treasury	531,107	531,107	–	–	–	531,107
Lease liabilities – current	44,674	48,617	–	–	–	48,617
Trade and other payables	1,009,847	1,009,847	–	–	–	1,009,847
Derivative financial liabilities	130	130	–	–	–	130
<b>Total</b>	<b>3,268,267</b>	<b>3,161,402</b>	<b>30,771</b>	<b>15,154</b>	<b>105,479</b>	<b>3,312,806</b>

**Market risk:**

• **Interest rate risk**

Rainbow Div is exposed to interest rate risk on its interest-bearing balances, which can have an impact on the cash flows of these instruments. The exposure to interest rate risk is managed through the RainbowDiv board of directors as well as the respective subsidiary companies by using counterparties that offer the best rates which enables RainbowDiv to maximise returns whilst minimising risk. The effective interest rate excluding the impact of foreign exchange revaluations for the year was 8.3% (2022: 6.3%; 2021: 5.3%).

The impact of a 3.0% increase in interest rates on positive cash balances will result in additional finance income of R0.8 million (2022: R3.3 million; 2021: R3.4 million). The net impact as such will result in additional finance costs of R68.6 million (2022: R46.2 million; 2021: R21.3 million) for the forthcoming financial year.

- **Foreign currency risk**

In the normal course of business, Rainbow Div enters into transactions denominated in foreign currencies. Trade and other payables include net payables of R17.0 million (2022: R14.2 million; 2021: R0.4 million) and cash and cash equivalents include cash balances of R0.2 million ((2022: R0.2 million); 2021: R0.7 million) relating to cash denominated in foreign currency. The currencies predominantly traded in by Rainbow Div are USD and EUR. As a result, Rainbow Div is subject to exposure from fluctuations in foreign currency exchange rates. Rainbow Div utilises forward exchange contracts, currency futures and options to minimise foreign currency exchange risk in terms of its risk management policy. All forward exchange contracts, futures and currency options are supported by underlying transactions.

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

	<b>Average rate R's</b>	<b>Foreign contract amount R'000</b>	<b>Fair value of FEC's R'000</b>
<b>2023 – Audited</b>			
USD currency options – assets <sup>1</sup>	–	788	–
USD currency options – liabilities <sup>1</sup>	–	(788)	–
<b>2022 – Reviewed</b>			
USD FECs – assets <sup>1</sup>	16.50	1,368	769
USD FECs – liabilities <sup>1</sup>	16.59	26,722	
USD Futures – assets <sup>1</sup>	17.42	862	
EUR Futures – assets <sup>1</sup>		215	
EUR currency options – liabilities <sup>1</sup>		22,600	
USD currency options – liabilities <sup>1</sup>	16.50	1,368	769
<b>2021 – Reviewed</b>			
USD FECs – assets <sup>1</sup>			
USD FECs – liabilities <sup>1</sup>	14.54	58,400	
USD Futures – assets <sup>1</sup>	17.14	827	
EUR Futures – assets <sup>1</sup>			
EUR currency options – liabilities <sup>1</sup>		6,380	

Refer to the table below for sensitivity of future (post-tax) income statement impacts arising on the maturity of forward exchange contracts, currency futures, trade payables, trade receivables and cash and cash equivalents.

Profit/(loss) as a result of a movement of the USD and EUR at June 2023 assuming the spot price remains constant thereafter until the maturity of the contracts and balances:

<b>Figures in Rand thousand</b>	<b>Audited 2023 R'000</b>	<b>Reviewed 2022 R'000</b>	<b>Reviewed 2021 R'000</b>
<b>Forward exchange contracts, currency futures and options</b>			
15% increase in the value of the USD against the rand	1,627	51,658	
15% decrease in the value of the USD against the rand	(1,628)	(61,004)	
10% increase in the value of the USD against the rand			61,653
10% decrease in the value of the USD against the rand			(63,535)
10% increase in the value of the EUR against the rand		1,112	1,021
10% decrease in the value of the EUR against the rand		(1,171)	(1,021)
<b>Trade payables</b>			
15% increase in the value of the USD against the rand	1,634		
15% decrease in the value of the USD against the rand	(1,634)		
10% increase in the value of the USD against the rand			(332)
10% decrease in the value of the USD against the rand			332
10% increase in the value of the EUR against the rand	149	12	(398)
10% decrease in the value of the EUR against the rand	(149)	(12)	398

<sup>1</sup> Certain of these contracts and options have a zero fair value at year end as they are settled daily on Yield-X.

- **Commodity price and procurement risk**

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

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

The overall procurement strategy and net positions are reported monthly to the oversight committees and annually to the RCL Foods board of directors. The oversight committees are responsible for the setting of the monthly company view with regards to future price movements. The daily trading activities by the procurement teams are restricted to the company view unless prior approval is obtained from the Procurement Committee.

- **Maize, soya, and soya oil and wheat<sup>1</sup>**

Refer to the table below for sensitivity of future (post-tax) income statement impact arising on the maturity of maize, soya and soya oil derivative contracts. This analysis represents the impact on profit/(loss) as a result of a parallel shift in the forward curve (up and down) on the value of the hedged positions of the underlying commodities at June.

<b>Figures in Rand thousand</b>	<b>Audited 2023 R'000</b>	<b>Reviewed 2022 R'000</b>	<b>Reviewed 2021 R'000</b>
Maize – 25% increase	(605)	21,046	19,492
Maize – 25% decrease	14,517	(34,848)	(37,154)
Soya Oil – 20% increase	1,537		
Soya Oil – 20% decrease	(1,537)		
Soya Oil – 15% increase		6,124	
Soya Oil – 15% decrease		(6,736)	
Soya Oil – 10% increase			625
Soya Oil – 10% decrease			(625)
Soya – 20% increase	165,849		
Soya – 20% decrease	(122,583)		
Soya – 15% increase		80,452	
Soya – 15% decrease		(78,022)	
Soya – 10% increase			39,745
Soya – 10% decrease			(41,482)
Wheat – 10 increase			7,067
Wheat – 10% decrease			(7,067)

Rainbow Div has entered into contract grower agreements with various counterparties to procure broiler chickens for the forthcoming financial year. Fees payable to the contract growers are accrued for based on the stage of completion of the broiler cycle at year-end. The commitment value as at June 2023 was R23.7 million.

- **Capital risk management**

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

<sup>1</sup> Certain of these contracts and options have a zero fair value at year end as they are settled daily on Yield-X.

## Fair value estimation

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

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

The following table presents the Group's assets and liabilities that are measured at fair value at June 2023:

Figures in Rand thousand	Level 1 R'000	Level 2 R'000	Level 3 R'000	Total R'000
<b>June 2023 – Audited</b>				
<b>Assets:</b>				
Breeding stock – chicken (refer note 8)	–	–	577,527	577,527
Broiler stock – chicken (refer note 8)	–	–	431,056	431,056
Derivatives	–	23,350	–	23,350
<b>Total assets</b>	<b>–</b>	<b>23,350</b>	<b>1,008,583</b>	<b>1,031,933</b>

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

Specific valuation techniques used to value the derivatives include:

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

The following valuation techniques and significant inputs were used to measure the level 3 inputs. These techniques are consistent with those of the prior year.

Description	Audited Fair value at June 2023 R'000	Valuation technique	Unobservable inputs	Range of unobservable inputs	Relationship of unobservable input to fair value
Chicken stock	1,008,583	Replacement costs of the components of growing the stock	Eggs per hen	129 to 191 per hen	The higher the eggs per hen, the higher the fair value
			Cost of a day-old breeder bird	R71.18 to R111.60 per chick	The higher the cost per chick, the higher the fair value
			Mortality rates	3.1% to 7.9%	The higher the mortality, the lower the fair value
			Average live mass	1.61 kg to 1.88 kg per bird	The higher the average live mass, the higher the fair value
			Feed cost	R8,270 to R9,021 per ton	The higher the feed cost per ton, the higher the fair value

### • Sensitivity analysis

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

Input	Sensitivity
Feed cost – chicken stock	A 5,0% change in feed cost would result in a R12.1 million change in fair value in the forthcoming year.



**Note 22: Financial instruments by category**

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

	Amortised cost R'000	Assets at fair value through profit or loss R'000	Total R'000
<b>June 2023 – Audited</b>			
<b>Assets per the statement of financial position:</b>			
Trade and other receivables	2,215,507		<b>2,215,507</b>
Derivative financial instruments		23,350	<b>23,350</b>
Cash and cash equivalents	28,011		<b>28,011</b>
<b>At the end of the year</b>	<b>2,243,517</b>	<b>23,350</b>	<b>2,266,868</b>
<b>June 2022 – Reviewed</b>			
<b>Assets per the statement of financial position:</b>			
Investment in financial asset			–
Trade and other receivables	2,064,369		<b>2,064,369</b>
Derivative financial instruments		4,468	<b>4,468</b>
Cash and cash equivalents	119,196		<b>119,196</b>
<b>At the end of the year</b>	<b>2,183,565</b>	<b>4,468</b>	<b>2,188,033</b>
<b>June 2021 – Reviewed</b>			
<b>Assets per the statement of financial position:</b>			
Investment in financial asset			–
Trade and other receivables	1,196,463		<b>1,196,463</b>
Derivative financial instruments		62,761	<b>62,761</b>
Cash and cash equivalents	115,868		<b>115,868</b>
<b>At the end of the year</b>	<b>1,312,331</b>	<b>62,761</b>	<b>1,375,092</b>

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

	Amortised cost R'000	Liabilities at fair value through profit or loss R'000	Total R'000
<b>June 2023 – Audited</b>			
<b>Liabilities per the statement of financial position:</b>			
Interest-bearing liabilities – Long-term	238,980	–	<b>238,980</b>
Interest-bearing liabilities – Short-term	13,301	–	<b>13,301</b>
Lease liabilities – Long-Term	103,032	–	<b>103,032</b>
Lease liabilities – Short-Term	54,587	–	<b>54,587</b>
Loan from RCL Foods	1,466,157	–	<b>1,466,157</b>
Loan from RCL Foods Treasury	2,034,902	–	<b>2,034,902</b>
Trade and other payables	1,499,178	–	<b>1,499,178</b>
<b>At the end of the year</b>	<b>5,410,137</b>	–	<b>5,410,137</b>
<b>June 2022 – Reviewed</b>			
<b>Liabilities per the statement of financial position:</b>			
Interest-bearing liabilities – Long-term	142,585		<b>142,585</b>
Interest-bearing liabilities – Short-term	105,948		<b>105,948</b>
Lease liabilities – Long-Term	16,966		<b>16,966</b>
Lease liabilities – Short-Term	30,251		<b>30,251</b>
Bank overdraft	7,741		<b>7,741</b>
Loan from RCL Foods	1,465,667		<b>1,465,667</b>
Loan from RCL Foods Treasury	1,292,939		<b>1,292,939</b>
Derivative liabilities		378	<b>378</b>
Trade and other payables	1,307,255		<b>1,307,255</b>
<b>At the end of the year</b>	<b>4,369,352</b>	<b>378</b>	<b>4,369,730</b>

	<b>Amortised cost R'000</b>	<b>Liabilities at fair value through profit or loss R'000</b>	<b>Total R'000</b>
<b>June 2021 – Reviewed</b>			
<b>Liabilities per the statement of financial position:</b>			
Interest-bearing liabilities – Long-term	73,023		<b>73,023</b>
Interest-bearing liabilities – Short-term	105,962		<b>105,962</b>
Lease liabilities – Long-Term	37,784		<b>37,784</b>
Lease liabilities – Short-Term	44,674		<b>44,674</b>
Loan from RCL Foods	1,465,739		<b>1,465,739</b>
Loan from RCL Foods Treasury	531,107		<b>531,107</b>
Derivative liabilities		130	<b>130</b>
Trade and other payables	1,009,847		<b>1,009,847</b>
<b>At the end of the year</b>	<b>3,268,137</b>	<b>130</b>	<b>3,268,267</b>

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

**Note 23: Related party transactions**

Related party relationships exist between Rainbow Div, its subsidiaries, associates, joint ventures and Remgro Limited and its subsidiaries, associates and joint ventures. The ultimate controlling party of the Company is Remgro Limited.

	<b>Audited 2023 R's</b>	<b>Reviewed 2022 R's</b>	<b>Reviewed 2021 R's</b>
<b>Transactions and balances with subsidiaries of Remgro Limited:</b>			
Expense cost recoveries	75	2,571	1,725
Purchases	15,109	11,012	–
Amounts owing to subsidiaries of the holding company included in trade and other payables	1,561	1,253	–
<b>Transactions and balances with associates of Remgro Limited:</b>			
Purchases	937	1,845	–
Amounts owing to associates of the holding company included in trade and other payables	–	77	–
<b>Transactions and balances with RCL Foods:</b>			
Loans payable	1,466,157	1,465,667	1,465,739
Dividend paid	–	–	50,293
<b>Transactions and balances with subsidiaries of RCL Foods:</b>			
Loans payable	2,034,902	1,292,939	531,107
Net interest paid	121,374	55,818	10,701
Amounts owing by subsidiaries of RCL FOODS included in trade and other receivables	2,019,011	1,894,703	1,058,274
Amounts owing to subsidiaries of RCL FOODS included in trade and other payables	197,504	163,658	188,881
Revenue	20,807	50,077	24,451
Rental income and expense recoveries	40,626	41,138	34,848
Merchandising and distribution fee	776,950	666,595	766,804
Expense recoveries	6,300	779	10,197
Shared services charge	104,849	159,487	354,323
Purchases	393,094	388,193	307,768
<b>Key management of Rainbow Div:</b>			
Short-term employee benefits	138,005	131,231	49,390
Post-employment benefits	10,820	9,877	4,618
Termination benefits	1,471	203	4,106
Share-based payments	1,503	13,067	(4,755)
<b>Total</b>	<b>151,799</b>	<b>154,378</b>	<b>53,359</b>

**Note 24: Subsequent events**

A decision was taken by the Department of Trade, Industry and Competition to reinstate anti-dumping duties against Brazil, Denmark, Ireland, Poland and Spain in August 2023. This decision is a non-adjusting post balance sheet event and does not impact the net realisable value of inventory at 2 July 2023.

In September 2023 the South African poultry sector, including Rainbow Div, was impacted by an avian influenza outbreak. This had no impact on the balances at 2 July 2023 but has resulted in birds being culled in the 2024 financial year.

In preparation for the unbundling and normalisation of RainbowCo's capital structure R2,851 million in loans from RCL Foods (R1,451 million non-interest-bearing) and RCL Foods Treasury (R1,400 million interest bearing) were converted to equity on 23 February 2024. The conversion resulted in RainbowCo issuing 2,057,920 shares to RCL Foods based on the market value of RainbowCo.

In accordance with IAS 10: Events after the Reporting Period ("IAS 10"), all the events detailed above, are considered non-adjusting events. There have been no other material events subsequent to 2 July 2023, not otherwise dealt with in the Combined Carve-out Historical Financial Information.

**Note 25: Interest in subsidiaries**

RainbowDiv has the following subsidiaries at June 2023:

<b>Name</b>	<b>Country of incorporation and place of business</b>	<b>Nature of business</b>	<b>Proportion of ordinary shares directly held by parent %</b>	<b>Proportion of ordinary shares directly held by RainbowCo %</b>	<b>Proportion of ordinary shares directly held by non-controlling interest %</b>
Rainbow Farms Investments Proprietary Limited	South Africa	Investment holding	100	-	-
Epol Proprietary Limited	South Africa	Dormant	100	-	-
Farmer Brown Proprietary Limited	South Africa	Dormant	100	-	-
Matzonox Proprietary Limited	South Africa	Waste-to-Value operation	50	-	50
Matzonox Fertilisers Proprietary Limited	South Africa	Sales and marketing	50	-	50
Rainbow Chicken Foods Proprietary Limited	South Africa	Dormant	100	-	-

**Non-controlling interests:**

	<b>Audited</b>		<b>Reviewed</b>		<b>Reviewed</b>	
	<b>Statement of financial position</b>	<b>Income statement (share of loss)</b>	<b>Statement of financial position</b>	<b>Income statement (share of loss)</b>	<b>Statement of financial position</b>	<b>Income statement (share of loss)</b>
	<b>2023</b>	<b>2023</b>	<b>2022</b>	<b>2022</b>	<b>2021</b>	<b>2021</b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>
Matzonox	30,425	(24,796)	55,273	(19,508)	74,731	(15,152)

**Significant restrictions:**

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

Set out below is the summarised financial information for each subsidiary that has non-controlling interests that are material to RainbowCo. This summarised information is before intercompany eliminations.

**Summarised statement of financial position:**

	<b>Audited 2023 R'000s</b>	<b>Reviewed 2022 R'000s</b>	<b>Reviewed 2021 R'000s</b>
Matzonox:			
<b>Current</b>	<b>33,396</b>	<b>43,828</b>	<b>16,866</b>
Assets	(39,582)	(133,567)	(98,077)
Liabilities	(6,186)	(89,739)	(81,211)
Total Current Net Liabilities			
Non-Current			
Assets	416,535	342,869	406,292
Liabilities	(349,499)	(142,585)	(175,621)
<b>Total Non-Current Net Assets</b>	<b>67,036</b>	<b>200,284</b>	<b>230,671</b>
<b>Net assets</b>	<b>60,850</b>	<b>110,545</b>	<b>149,460</b>
<b>Summarised statement of comprehensive income:</b>			
<b>Matzonox</b>			
Revenue	61,696	55,349	42,562
Loss before tax	(67,935)	(53,025)	(42,084)
Income tax expense	18,343	14,008	11,780
<b>Loss after tax for the year</b>	<b>(49,592)</b>	<b>(39,017)</b>	<b>(30,304)</b>
Other comprehensive income	-		
Total comprehensive loss	(49,592)	(39,017)	(30,304)
<b>Total comprehensive loss allocated to non-controlling interests</b>	<b>(24,796)</b>	<b>(19,508)</b>	<b>(15,152)</b>
<b>Summarised cash flows:</b>			
Matzonox			
Cash generated from operations	21,070	18,941	92
Interest paid	(43,447)	(31,827)	(27,725)
Interest received	1,193	668	280
<b>Net cash utilised from operating activities</b>	<b>(21,184)</b>	<b>(12,218)</b>	<b>(27,353)</b>
Net cash utilised in investing activities	(1,852)	(37,423)	(18,886)
Net cash generated from financing activities	19,688	61,528	49,934
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(3,348)</b>	<b>11,887</b>	<b>3,695</b>