

2025

ANNUAL REPORT

POWERING ECONOMIC AND ENVIRONMENTAL RESILIENCE WITH WORLD-CLASS PRODUCTS

National Foods Limited is committed to advancing innovative and sustainable food solutions that nourish communities and support long-term economic resilience. The Company's strategy is rooted in strengthening relationships with stakeholders, consumers, and the broader communities served, fostering trust and mutual growth across Zimbabwe and Southern Africa.

Guided by principles of inclusive and responsible development, National Foods Limited continues to expand its local manufacturing footprint through investment in energy-efficient, technologically advanced facilities. These efforts are designed to enhance national food security, create skilled employment, and support smallholder agricultural networks aligning business performance with social impact.

Recent milestones include the commissioning of Zimbabwe's first large-scale pasta plant, significantly reducing import dependency and supporting local value chains. A new Biscuit manufacturing facility, strategically located along a railway line, represents a pioneering step in lowering carbon emissions. Further progress has been made through the installation of a 2.74MW solar photovoltaic power plant at the Aspindale site, reinforcing the company's transition toward renewable energy and reduced operational emissions. Each initiative underscores a commitment to ESG-aligned growth, promoting sustainable industrialization, environmental stewardship, and equitable access to nutritious food. Through innovation, transparency, and responsible operations, National Foods Limited continues to contribute meaningfully to Zimbabwe's long-term prosperity and sustainable development goals.



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Our Vision

To be the preferred supplier of branded FMCG and Stockfeed products in Zimbabwe and selected regional markets.

Our Mission

We manufacture and distribute a diversified portfolio of branded FMCG and Stockfeed products to delight our customers and consumers through delivering profitable category-based initiatives.

Our Positioning Statement

Together we feed and nourish the nation.

Our Values

INNOVATIVE



We spark creativity and involve employees at all levels to contribute ideas on new products as well as come up with solutions to workplace challenges or problems.

RESPECTFUL



We are professional, promote diversity, encourage dialogue, value other people's perspectives, time and space as well as insist on civility from all employees no matter their position in the organisation chart.

HARDWORKING



We make the most of our time and consistently produce good work, in addition, we are productive motivated, dedicated, and self-reliant.

COMPETITIVE



We have a strong desire to succeed.

RESULTS DRIVEN



We are motivated by goals and use targets to remain focused on our work.

RESILIENT



We are able to withstand adversity and bounce back from difficult events.

HONEST



We are genuine, able to speak what's on our minds and abide by consistent ethical standards.

PURPOSEFUL



We have an aim.

About Our Report

National Foods Holdings Limited is pleased to present the annual report for the year ended 30 June 2025. This report outlines the Group's financial results and sustainability performance, highlighting the ways in which value has been created and shared across all stakeholder groups during the period under review. The report provides stakeholders with meaningful insight into key aspects of the business and the broader industry environment in which it operates. Information is presented in a transparent and accessible manner to accurately reflect the Group's operational, financial, and sustainability achievements over the year.



Report Boundary

The report covers information for National Foods Holdings Limited, whose core operations are based in Zimbabwe. In this report, unless otherwise noted, references to "our", "we", "us", "the Company", "the Group", "NFL", and "National Foods" refer to National Foods Holdings Limited.

Report Philosophy

The report reflects the Company's belief in strong corporate sustainable practices underpinning value creation for stakeholders. The Group uses the dynamic cyclical approach towards continued performance and improvement in operations as well as in reporting. In the context of this report and forward-looking statements; "shall" indicates a requirement; "should" indicates a recommendation; "may" indicates permission; and "can" indicates a possibility or a capability.

Reporting Frameworks

The consolidated annual financial statements and sustainability information has been prepared in accordance with International Financial Reporting Standards (IFRS) and the requirements of the Companies and Other Business Entities Act (Chapter 24:31). In reporting non-financial information, the Group is guided by:

- Global Reporting Initiatives ("GRI") Standards 2021
- Zimbabwe Standard ZWS ISO 26000: 2010 integrating, implementing and promoting socially responsible behaviour throughout the organisation through its policies and practices and within its sphere of influence; identifying and engaging with stakeholders; and communicating commitments, performance and other

information related to social responsibility.

- The National Code of Corporate Governance in Zimbabwe ("ZIMCODE").
- Climate Change Disclosure Framework of the Carbon Disclosure Standards Board ("CDSB") guided by ISO 14064-65-66 Greenhouse gas ("GHG") quantification, reporting, verification, validation, United Nations Framework Convention on Climate Change (UNFCCC), national frameworks such as the National Climate Policy, Climate Response Strategy, and upcoming Climate Change Management Bill.
- Business Reporting on Sustainable Development Goals ("SDGs"): Guide on GRI and United Nations Global Compact ("UNGC"): ISO 26000 and other relevant ISO standards.

The report also discusses the key United Nations Sustainable Development Goals ("SDGs") that align most to the Group's operations.

Financial Data and Assurance

Our annual financial statements were audited by Axcantium in accordance with International Standards of Auditing ("ISA"). The independent auditor's report on the financial statements is contained on **page 77**.

Sustainability Data and Reporting Declaration

Since 2021, our sustainability journey has been anchored in the Zimbabwe standard ZWS ISO 26000:2010. This framework integrates social responsibility into our Group's values and practices. We prepare our sustainability report with reference to the GRI Standards, ensuring a

comprehensive approach to sustainability reporting. Sustainability information has been compiled using qualitative sources and quantitative data extracted from various policies, position statements along with internal reporting systems for data and information collection. Where estimates were made, management confirmed consistency with business operations. The report has been prepared with reference to GRI Standards 2021.

Reporting Currency

The Group's functional and presentation currency is the United States Dollar (USD).

Forward-Looking Statements

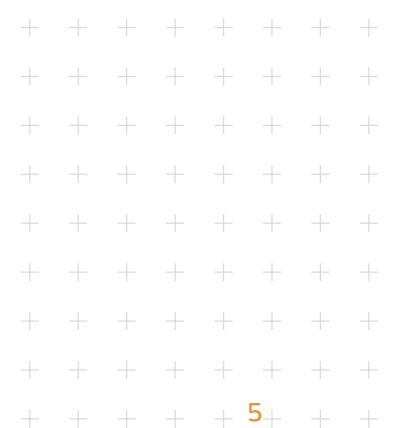
The report contains forward-looking statements concerning the financial information and business operations of National Foods. All statements other than those of historical fact may be deemed to be forward-looking statements. These are statements of future expectations based on management's assumptions and expectations, hence they involve known and unknown risks which may lead to results and performance differing materially from those implied in these statements

Feedback

The Company values opinions from all our stakeholders which assist us in building a sustainable Company and improving our reporting. We welcome feedback which can be provided to our Company Secretary Leigh Howes, email leigh.howes@natfood.co.zw

Mr Edwin Manikai
Independent, Non-Executive Chairman

Mr Michael Lashbrook
Chief Executive Officer



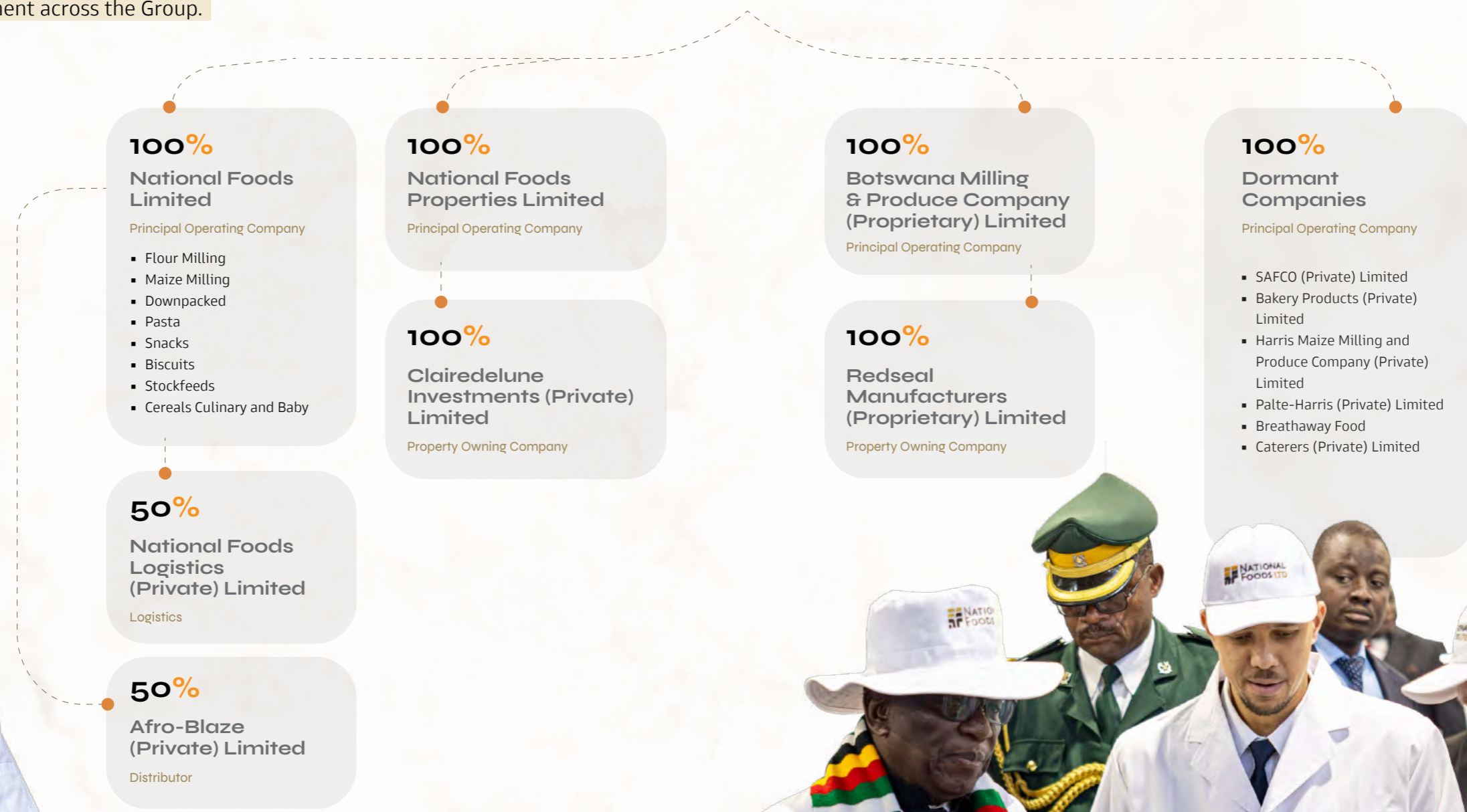
Our History

Since its establishment in 1920, the Company has grown into one of Zimbabwe's most diversified and trusted food manufacturers, ensuring consistent supply across key categories while investing in people, technology, and sustainable operations.



Group Structure

This section provides a detailed overview of the National Foods organizational structure. Our framework is strategically designed to ensure optimal operational efficiency, clear governance, and effective risk management across the Group.



100%
National Foods Limited
Principal Operating Company

- Flour Milling
- Maize Milling
- Downpacked
- Pasta
- Snacks
- Biscuits
- Stockfeeds
- Cereals Culinary and Baby

100%
National Foods Properties Limited
Principal Operating Company

100%
Clairedelune Investments (Private) Limited
Property Owning Company

100%
Botswana Milling & Produce Company (Proprietary) Limited
Principal Operating Company

100%
Redseal Manufacturers (Proprietary) Limited
Property Owning Company

100%
Dormant Companies
Principal Operating Company

- SAFCO (Private) Limited
- Bakery Products (Private) Limited
- Harris Maize Milling and Produce Company (Private) Limited
- Palte-Harris (Private) Limited
- Breathaway Food
- Caterers (Private) Limited

50%
National Foods Logistics (Private) Limited
Logistics

50%
Afro-Blaze (Private) Limited
Distributor



Our Products and Brands

National Foods' dedication to quality was strongly amplified by the recent commissioning of our state-of-the-art manufacturing plants (Cereals, Pasta and Biscuits). These world-class facilities reinforce our traditional standards and serve as the essential platform for delivering innovation, enabling the successful launch of new, value-added brands, including the Nutri Active Cereals range, Primo pasta and award-winning Gloria Munchies biscuits. This transformation strategically moves National Foods beyond being a core staple provider to a dynamic partner, fulfilling the diverse, evolving needs of our consumers with expanded capacity and renewed innovation.

National Foods Holdings Limited operates across eight distinct business units as follows:

Maize	Flour	Stockfeeds	Downpacked	Pasta	Cereals, Culinary, Baby Food	Snacks	Biscuits

Awards and Recognition

Our commitment to excellence extends beyond the product. National Foods offers innovative solutions that continuously evolve with consumer demands while actively contributing to a sustainable environment. These efforts have been formally recognized by key stakeholders, which is affirmed by the prestigious awards received during the reporting period



Memberships and Associations

The Group is a member and subscribes to requirements from the following:

General

- Confederation of Zimbabwe Industries (CZI)
- Zimbabwe National Chamber of Commerce (ZNCC)
- Business Council for Sustainable Development Zimbabwe (BCSDZ)
- Institute of Directors Zimbabwe (IODZ)
- Institute of People Managers Zimbabwe (IPMZ)
- Marketers Association of Zimbabwe (MAZ)
- Institute of Chartered Accountants Zimbabwe (ICAZ)

Industry

- Zimbabwe Poultry Producers Associations (ZPA)
- Stock Manufacturers Association (SMA)
- Grain Millers Association of Zimbabwe (GMAZ)
- Food Nutrition Council (FNC)
- Scaling Up Nutrition Network (SUN)
- Clean Zimbabwe Campaign — Marketers Association of Zimbabwe
- Buy Zimbabwe

- ISO 22000:2018 Food Safety Management System
- ISO 17025 Management System for general requirements for the competence of testing and calibration laboratories
- FSSC 22000 Food Safety Management System, recognized by the GFSI (Global Food Safety Initiative)
- ISO 45000 Occupational Health and Safety

Health Standards

- International Labour Standards on Occupational Safety and Health – ILO-OSH
- Health Professions Authority of Zimbabwe (HPA)
- Ministry of Health Certification
- National Social Security Authority (NSSA) Factory Licence
- City of Harare – City Health Licence
- Ruwa Local Board – Health Registration Certificate

Agriculture

- Agricultural Marketing Authority (AMA)
- Ministry of Agriculture Certification

Other

- KOSHER** (Jewish Dietary framework for food preparation processing and consumption)
- HALAL** (National Halaal Association of Zimbabwe (NHAZ))

Certifications and Standards

International Standards

- ISO 9001:2015 Quality Management System Standards Association of Zimbabwe (SAZ)
- ISO 14001:2015 Environmental Management System

Performance Review

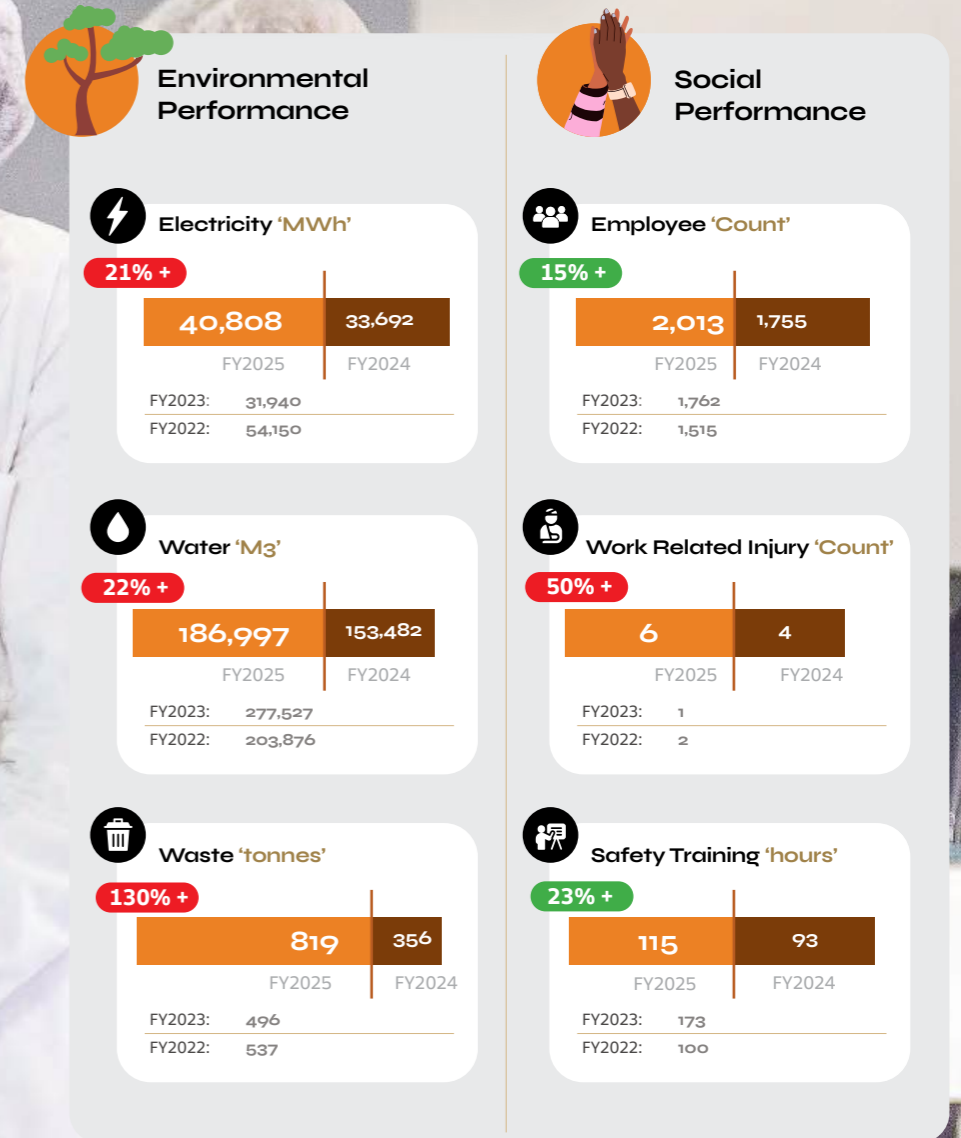
Financial Highlights



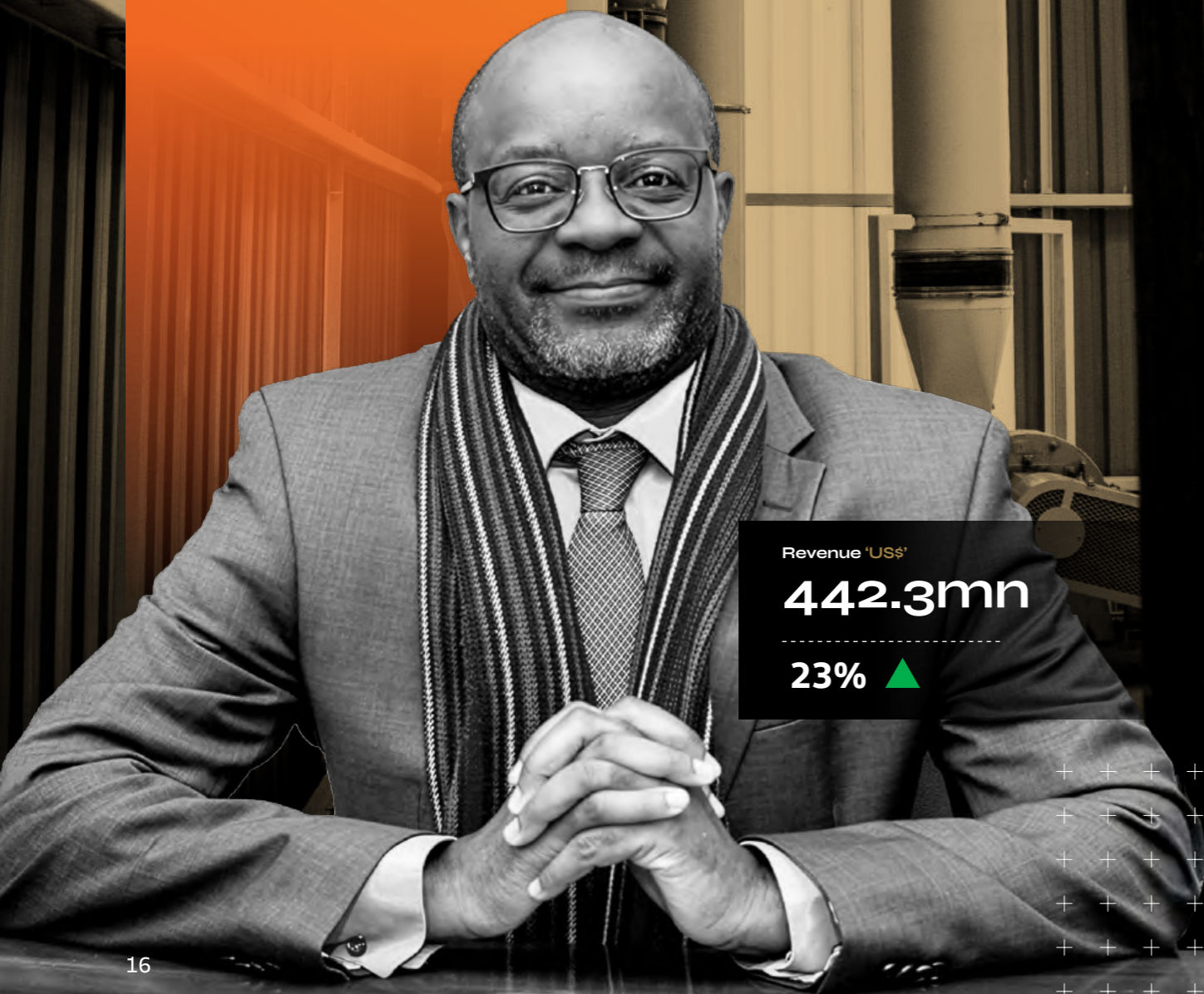
Share Performance (US\$ cents)

	2025	2024
Basic Earnings per share	14.36	20.11
Ordinary Dividend per share (US\$ cents)	7.18	6.71
Number of shares in issue	62,807,100	68,235,992
Dividend Recognised and paid during the year	4,907,961	3,125,885

Sustainability Highlights



Chairman's Statement



Revenue 'US\$'

442.3mn

23% ▲

Chairman's Statement (Continued)

DIRECTORS' RESPONSIBILITY

The Holding Company's Directors are responsible for the preparation and fair presentation of the Group's consolidated audited annual financial statements, of which this press release represents an extract. These audited, Group consolidated financial statements are presented in accordance with the measurement and recognition principles of IFRS Accounting Standards and the manner required by the Companies and Other Business Entities Act [Chapter 24:31].

Except where stated otherwise, the principal accounting policies applied in the preparation of these audited, abridged Group consolidated financial statements are consistent with those applied in the previous year's financial statements. There is no impact arising from revised IFRS, which became effective for the reporting period commencing on or after 1 January 2024, on the Group's audited consolidated financial statements.

Uncertain Tax Positions And Ongoing Regulatory Costs

As previously advised, the local market has experienced significant currency and legislative changes since 2018, which have created numerous uncertainties in the tax treatment of transactions due to the absence of clear guidelines and transitional measures. This matter is further complicated by the wording of the legislation concerning the currency of settlement of various taxes for the periods 2019 to 2021, which has given rise to interpretations that differ from those of the tax authorities, thereby creating uncertainties in tax positions.

In the last few years, the Zimbabwe Revenue Authority ("ZIMRA") has continued to assess additional Income Taxes, Value Added Tax ("VAT"), penalties, and interest for the periods 2019 to 2021 against the Group, for amounts that had already been settled in Zimbabwe Dollars, but which ZIMRA deemed should have been paid exclusively in foreign currency, or for matters on which the Group believes it has no tax liability. No credit

has been given by ZIMRA for these amounts that have already been paid. As at 30 June 2025, these additional assessments for the Group amounted to USD 4.49m. These assessments have been objected to, and challenged at the courts, and are at various stages of appeal. Should these appeals not be successful, it is assumed that the historical Zimbabwe dollars previously paid towards the settlement of these taxes will be refunded to the Group in local currency, at the equivalent current value prevailing at the date that the refund occurs.

The Group continues to engage the relevant authorities while these assessments are being objected to and challenged through the courts. Tax payments that have been made with respect to the revised assessments have been accounted for as taxation prepayments on the Group's Statement of Financial Position, in anticipation of a successful appeal process. The Group believes that the settlements it previously made to fully expunge its tax liabilities for these historical periods were in line with the legal requirements prevailing at the time of settlement.

The Group has so far paid the full amount under the "pay now, argue later" principle.

External Auditor's Statement

The Group's consolidated annual financial statements have been audited by the Group's external auditors, Messrs. Axcantium, who have issued an unqualified audit opinion thereon. The External Auditor's Report on the Group's audited annual financial statements, from which these audited, annual financial statements are extracted, is available for inspection at the Company's registered office. The Engagement Partner responsible for the audit was Mr Lawrence Nyajeka, Public Accountants' and Auditors' Board ("PAAB") Practice Number 0598.

Sustainability Reporting And Practices

Sustainability principles are embodied in the Group's overall business strategy. The Group remains committed to sustainable development by mitigating and managing the environmental and social risks of its operations, and the environment in which it operates. The Group applies a combination of ISO 26000 and GRI Standards for Sustainability Reporting, and continues to strengthen its sustainability practices and values across its operations to ensure long-term business success.



VOLUMES
21% ▲

Chairman's Statement (Continued)

Financial Review

The Group delivered strong top line growth during the year, generating revenue of US\$ 442 million, 23% ahead of last year. Profitability was impacted by compressed margins largely due to elevated prices of raw maize. Maize stocks in the region were tight following the 2023-2024 drought, and this resulted in substantial increases in the cost of imported maize, which could not be fully recovered in finished product pricing. Regional maize prices have now decreased to more normal levels following a better season and we look forward to improved margin performance in the year ahead.

- Flour volumes increased by 21% over the comparative year, driven by firm demand across both the baker's and pre-pack flour categories. Wheat supply remained stable, and a steady supply of good-quality product to the market was maintained.
- Stockfeeds volumes closed 5% ahead of the comparative year, with good demand in both the poultry and beef categories. The division is currently undertaking a series of investments at its Harare-based operations, which are expected to unlock considerable operational efficiencies in the period ahead.
- In the Maize division, volumes grew by 36% over the comparative year, following the drought-impacted

2023/24 agricultural season; margins were however sub-optimal, and negatively affected the overall financial performance of the division.

- The Downpacked division registered a 22% growth in volumes over the comparative year. VAT on rice, however, remains a significant impediment to affordability, and the Group continues to lobby for this legislation to be reviewed, as rice is now a key basic commodity for many consumers.
- Following the ongoing expansion programme, volumes in the Snacks division closed 56% ahead of the comparative year, with excellent demand in both the "ZapNax" and "King Kurl" categories. Additional investment into both Hard and Soft Snack capacity will continue into the new financial year.
- The newly installed short-cut pasta manufacturing line within the Pasta division performed very well, and the locally produced "Primo" and "Better Buy" brands continue to gain strong consumer traction.
- The Biscuits division recorded an 11% reduction in volumes against the comparative year; however, this was mainly a result of the transition to the new, fully automated production facility. The market response to the new "Gloria Munchies" product has been extremely encouraging, with volume performance and capacity utilisation expected

Chairman's Statement (Continued)

to improve further, with a number of exciting, additional product enhancements expected to be released to the market in the coming financial year.

- The Cereals division continued to deliver encouraging growth, led by the "Pearlenta Instant" and "Nutri-Active" portfolios, both of which continue to gain popularity in the breakfast cereal category

The Group's statement of financial position remains robust, with relatively moderate levels of gearing. Cash flow generation for the year was solid, allowing the Group to continue to fund its continued development initiatives.

Final Dividend

The Board is pleased to declare a final dividend of 2.95 US cents per share, payable in respect of all ordinary shares of the Company. This final dividend will be payable to all shareholders of the Company registered at the close of business on 10 October 2025. This brings the total dividend to shareholders for the current year under review to 7.18 US cents per share; this compares to the total dividend of 6.71 US cents per share paid in the comparative financial year, an increase of 7%. The payment of this final dividend will take place on or around 7 November 2025.

Appreciation

I wish to record my sincere appreciation to the Executive Directors, Management, and Staff for their considerable efforts during the year under review. I also wish to thank the Non-Executive Directors for their wise counsel and the Group's customers, suppliers, and other stakeholders for their continued support and loyalty.



E.I. Manikai
Independent, Non-Executive Chairman
26 September 2025

Directorate and Administration

The Board of Directors has the ultimate responsibility for the management, strategic direction, general affairs, and long-term success of National Foods Holdings Limited. The Group ensures that the Board is sufficiently represented with the skills and experience necessary to achieve our goals. The Board is made up of a majority of Non-Executive Directors.

As at 30 June 2025, the following individuals constituted our Board:

Directorate and Administration (Continued)

BOARD OF DIRECTORS

Mr Edwin Manikai

Independent Non-Executive Chairman
(Appointed 2024)

Mr. Edwin Isaac Manikai was appointed as Non-Executive Chairman of the National Foods Holdings Limited Board on the 23rd of January 2024. Mr. Manikai is a Senior Partner of Dube, Manikai and Hwacha, a law firm which he co-founded in 1998. He holds a Bachelor of Law (Hons); and a Bachelor of Laws (LLB), from his studies at the University of Zimbabwe. He was admitted as a legal practitioner in 1986 and has over 39 years' experience as a lawyer focusing on commercial legal practice. He commenced practice as an attorney with Gill, Godlonton & Gerrans in 1985 where he was a partner until May 1998 at which point he and his partners established Dube, Manikai & Hwacha. During his long and distinguished career, Mr. Manikai has advised on a number of significant commercial transactions across all sectors of the economy. He sat as Chairman of the President's Advisory Council – 2020 to date, Chairman of the Dadaya Mission Trust and also sits on the Boards of the Reserve Bank of Zimbabwe and British American Tobacco Limited.

Mr Michael Lashbrook

Chief Executive Officer
(Appointed 2015)

Mr Michael Lashbrook has been CEO of National Foods since January 2015. He joined the company in 2008 as Operations Director. Michael has spent his entire career in the agricultural sector in Zimbabwe. He holds a BSc. Agriculture from the University of Natal and an MBA from the University of Southern Queensland.

Mr Lovejoy Nyandoro

Finance Director
(Appointed 2016)

Mr Lovejoy Nyandoro is a Chartered Accountant with several years' experience in accounting and finance. Lovejoy completed his articles of clerkship with Deloitte in 2000 and is a member of the Institute of Chartered Accountants Zimbabwe. Thereafter, Lovejoy Nyandoro worked in the corporate sector before joining the National Foods Group in 2005. He served the Group in various financial and managerial roles and gained broad experience within the organisation. He was appointed to the National Foods Holdings Limited Board in 2016 as Group Finance Director. Lovejoy holds a Bachelor of Accounting Science Honours Degree from the University of South Africa and a Bachelor of Science Mathematics Honours Degree from the University of Zimbabwe.

Mr Todd Moyo

Independent Non-Executive Director
(Appointed 2001)

Mr. Todd Moyo is a Chartered Accountant by profession being a Fellow Member of the Institute of Chartered Accountants of Zimbabwe (ICAZ) as well as an ordinary member of the South African Institute of Chartered Accountants (SAICA) after completing his Bachelor of Accountancy (Hon.) degree at the University of Zimbabwe. He also did an Executive Development Programme (EDP) at the University of Cape Town Business School. Mr. Moyo has been the Chief Executive Officer of Datlabs (Private) Limited and was previously the Chairman of the same company. He has also recently been a Non-Executive Chairman of PPC Zimbabwe until August 2024. Mr Moyo is a Non-Executive Director of National Foods Holdings Limited after chairing the Board from 2001. He took the position of Delta Corporation Chairman effective 1st November 2024. Mr. Moyo has extensive experience in manufacturing, distribution, healthcare services, property, food packaging, textile, transport, education, retailing, cement and financial services (banking and insurance), Information Technology and corporate action activities in various corporates in Zimbabwe and South Africa. He has previously served on various boards of listed and unlisted companies including their various committees.

Directorate and Administration (Continued)

Mr Godfrey Gwainda

Non-Executive and Non-independent Director
(Appointed 2016)

Mr Godfrey Gwainda is a Chartered Accountant with over twenty years of experience in accounting and finance. Godfrey completed his articles of clerkship with KPMG and qualified as a Chartered Accountant in 2000 and is registered as a Public Accountant. In September 2001, he joined Innscor and has held a number of financial and managerial positions. In January 2015, Godfrey was appointed to the main Board of Innscor as Group Financial Director. Godfrey is a member of the Innscor Group's Executive Committee and chairs the Finance and Investment Committee. Godfrey holds a Bachelor of Accountancy (Honours) from the University of Zimbabwe, a Bachelor of Accounting Science Honours Degree from the University of South Africa, and an MBA with the Henley Business School at the University of Reading.

Mr. Tjaart Kruger

Non-Executive and Non-independent Director
(Appointed 2023)

Mr. Tjaart Nicolaas Kruger was appointed to the National Foods Holdings Limited Board as a Non-Executive Director on the 14th of November 2023. Mr. Kruger is a CA (SA) with a PMD from Harvard Business School and has more than 30 years of leadership experience at multiple leading South African fast-moving consumer goods (FMCG) companies. He sharpened his career through previous experience as Divisional Managing Director at ICS Foods Ltd (now Astral Foods), CEO of Country Bird (Pty) Ltd, and at Tiger Brands as the Managing Executive for the pharmaceuticals and grains divisions over the period 2001 – 2007. In 2007, Tjaart was appointed as CEO of Afrox Limited where he gained experience in managing a global company with responsibility for operations in six countries. Prior to rejoining Tiger Brands in 2023 as Group CEO, Mr. Kruger served as CEO of Premier Foods over the period 2011 – 2021.

Mr. Thushen Govender

Non-Executive and Non-independent Director
(Appointed 2024)

Mr. Thushen Agambaram Govender was appointed as a Non-Executive Director to the National Foods Holdings Board on the 13th of March 2024. Mr. Govender is a seasoned FMCG executive with leadership experience across various geographies. Before he was appointed Chief Financial Officer, Mr. Govender held the position of Chief Growth Officer: Consumer at Tiger Brands. He re-joined Tiger Brands in 2021 from Aspen Holdings limited, where he was Group Commercial Officer for international markets including Russia, USA and China. Prior to this, he played a pivotal role in developing the international strategy for Pioneer Foods, with direct responsibility for the global exports business as well as the UK and Africa Operations, having delivered growth in competitive markets such as North America, Asia, Africa and Europe. As Executive Chairman of the UK Business, he spearheaded the organic and inorganic expansion strategy in Western Europe. During his previous tenure at Tiger Brands, he was primarily responsible for the development and execution of Tiger Brands' growth strategy at the time having held the executive position of Group Strategy, Investor Relations and Business Development. He is a Chartered Accountant (South Africa) and a registered member of SAICA with an MBA from Henley Management College.

Mr Julian Schonken

Non-Executive and Non-independent Director
(Appointed 2015)

Mr. Julian Schonken completed his tertiary education at Rhodes University in South Africa, where he attained a Bachelor of Commerce degree. In 1999 and shortly after completing his articles of clerkship and qualifying as a Chartered Accountant (Zimbabwe) with Deloitte, Julian joined Innscor and has held a number of financial and managerial positions during his 25 years with the Innscor Group. In October 2007, Julian was appointed to the main Board of Innscor as Group Financial Director; in January 2015, Julian accepted appointment as Executive Director for the Light Manufacturing Division of Innscor and in September 2016, was appointed as Group Chief Executive Officer. Julian currently chairs the Group's Executive Committee; he also sits on the boards and committees of a number of Innscor's operating business units.

Directorate and Administration (Continued)



Group Executive

Mr M. Lashbrook	Chief Executive Officer
Mr L. Nyandoro	Finance Director
Mrs T. Kadzinga	Marketing Executive
Mrs A. Pawarikanda	HR Executive
Mrs L. C. Howes	Legal Counsel

Corporate & Treasury

Mrs M. Marimira	Group Finance Executive
Ms N. Mkandla	Group Services Executive

Division Management

Flour Milling

Mr M. Luka	Managing Executive
Mrs B. Munyurwa	Finance Executive
Mr N. Moyo	Operations Executive

Maize Milling

Mr C. Nheta	Managing Executive
Mr S. Katsande	Finance Executive

Stockfeeds

Mr J. Cruger	Managing Executive
Mr C. Mtisi	Finance Executive

Snacks and Biscuits

Mrs A. Chikwava	Managing Executive
Mr O. Marufu	Finance Executive

Downpacked

Mr V. Swami	Managing Executive
Mrs L. Mushonga	Finance Executive

Cereals, Culinary and Baby (CCB)

Mr W. Kapfupi	Managing Executive
Mr B Chingombe	Finance Executive

Biscuits

Mr A. Bruins	Managing Executive
Mr P. Mashinga	Finance Executive

Pasta

Mr N. Weller	Managing Executive
Mr B. Dube	Finance Executive

ASSOCIATE COMPANIES

National Foods Logistics (Private) Limited

Mr B. Dube	Managing Director
Mr N. Mashavave	Finance Manager

Afro-Blaze Private Limited

Mr H. Muzondiwa	Managing Director
Mr R. Mukandi	Finance Executive

Governance

Corporate Governance

National Foods Holdings Limited subscribes to the principles of discipline, independence, accountability, transparency, responsibility, integrity, fairness, environmental and social responsibility, identified as the primary characteristics of good governance in the National Code of Corporate Governance for Zimbabwe.

Governance (Continued)

The Board is committed to sound corporate governance values and ensuring responsible business conduct in value chains. The Group will continue to align its governance practices with requirements of the Companies and Other Business Entities Act [24:31], Securities and Exchange (Victoria Falls Listing Requirements) Rules, the National Code of Corporate Governance Zimbabwe (2014) and other internationally recognised corporate governance codes.

Our corporate governance system's goal is to ensure that directors and managers, faithfully and effectively, carry out their responsibilities while placing the interests of the Company and society ahead of their own. This process is facilitated through the establishment of appropriate reporting and control structures within the Group. The Group governance practices are strong and adhere to the principles embodied within the National Code on Corporate Governance for Zimbabwe and is committed to ensuring that these principles continue to be an integral part of how the Group's business is conducted.

Board Composition

National Foods ensures that the Board is adequately represented with the required skills and experience necessary to achieve the Company's goals. The majority of Directors of the Holding company are non-executive which brings a valuable and unbiased perspective to matters of strategy and performance. The Group Chairman is an independent non-executive Director. The members have sound leadership qualities and core competencies required by the Group including accounting, financial expertise, business and managerial experience, industry knowledge and strategic planning.

Board Responsibility

The Board meets on a quarterly basis to review strategy, planning, operational performance, sustainability performance, acquisitions and disposals, stakeholder communications and other material matters relating to the performance of executive management. Managerial levels of authority have been established for capital expenditure projects and the acquisition and disposal of assets. However, decisions of a material nature are taken by the Board of Directors and senior management, who constitute key management.

The Directors have access to the advice and services of the Company Secretary for ensuring compliance with procedures and regulations. Directors are entitled to seek independent professional advice about the affairs of the Group, if they believe that the intended course of action would be in the best interest of the Group.

Nomination and Appointment of Board Members

The shareholders elect and appoint new board members from nominated directors recommended by the Board. The process is achieved through a formal, robust, and transparent policy. The Board is composed of people with good leadership qualities and core competencies required by National Foods including accounting or financial expertise, business and managerial experience, industry knowledge and strategic planning.

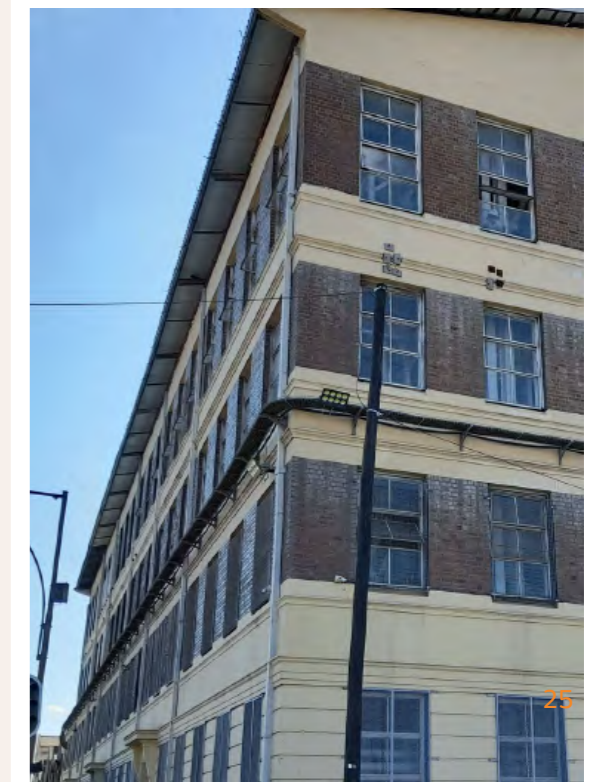
Remuneration Policy

The remuneration policy is formulated to attract, retain, and motivate top-quality people in the best interests of shareholders, and is based upon the following principles:

- Remuneration arrangements designed to support National Foods Holdings Limited's business strategy, and vision and conform to best practices.
- Total rewards are set at levels that are competitive within the context of the relevant areas of responsibility and the industry in which the Group operates.

Executive Remuneration

The remuneration packages of the executive directors comprise an annual salary, benefits, as well as short-term and long-term incentive schemes. The process for determining remuneration is guided by the internal remuneration committee guidelines.



Governance (Continued)

Ethics and Share Dealings

Directors and employees are required to observe the highest ethical standards, ensuring that business practices are conducted in a manner that is beyond reproach under reasonable circumstances. The Group adheres to a closed period preceding the publication of its quarterly, interim, and full year financial results. During this period, directors, officers, and employees are prohibited from trading in the shares of the Holding company. Where appropriate, the closing period may be extended to include other sensitive periods. The Directors and Key Management sign a declaration of interest and any conflict arising in carrying out their effective roles and responsibilities to the Group.

Strategic Planning Process

The overall strategy for National Foods Holdings is in line with its mission to build a world-class business. Annual strategic plans are compiled at both Group and business unit levels, with detailed plans for action and allocated responsibilities. Progress is reviewed regularly.

Stakeholder Engagements with the Board

Our business is defined by the inclusion of a diverse range of perspectives from our stakeholders. In support of this principle, stakeholder engagement is at the centre of what we do and integrated at every level. The Board of Directors have direct access to the concerns and views of our stakeholders through the Annual General Meetings, Board and Committee Meetings, the Company Secretary, and the Chairman.

Sustainability Governance

The Board has established a number of sustainability targets that are monitored and reported on an annual basis. The Audit Committee reviews and advises on sustainability policies and practices to ensure that these are discussed, understood, owned, and promoted at Board level.

Board Committees

Committee

Audit and Risk
Committee

Members

T. Moyo (Chairman)
G Gwainda
T. Govender
J. Schonken
(Alternate)
T. Kruger (Alternate)

Responsibilities

The Committee comprises non-executive directors and is chaired by an independent non-executive director. The internal and external auditors have unrestricted access to this committee.

The Committee monitors and reviews:

- the integrity of the Group's financial statements and any formal announcements relating to the Company's performance, considering any significant issues and judgements reflected in them.
- the consistency of the Group's accounting policies.
- the effectiveness of the Board and making recommendations to the Board on the Group's accounting, risk, and internal control systems.
- the effectiveness of the Company's internal audit function; and,
- the performance, independence, and objectivity of the Company's external auditors, making recommendations as to their reappointment, approval of their terms of engagement and the level of audit fees.

In addition, the Committee is responsible for the Group's sustainability strategy and policy. This includes decision making on and overseeing the management of the Group's impacts on the environment, society and economy, along with compliance with sustainability disclosures. The Board is satisfied with the level of experience and competence of committee members.

Governance (Continued)

Committee

Remuneration
Committee

Members

J. Schonken (Chairman)
T. Kruger
G. Gwainda
(Alternate)
T. Govender
(Alternate)

Responsibilities

The Committee comprises non-executive directors and is chaired by a non-executive director. The Chairman of the Committee is obliged to report to the Board on its deliberations.

The Group's Remuneration Policy seeks to provide packages that attract, retain and motivate high-calibre individuals who contribute to the sustainable growth and success of each of the businesses in which the Group operates. Packages primarily include basic salaries as well as performance-related short and long-term incentive schemes.

The Board is satisfied with the level of experience and competency of committee members

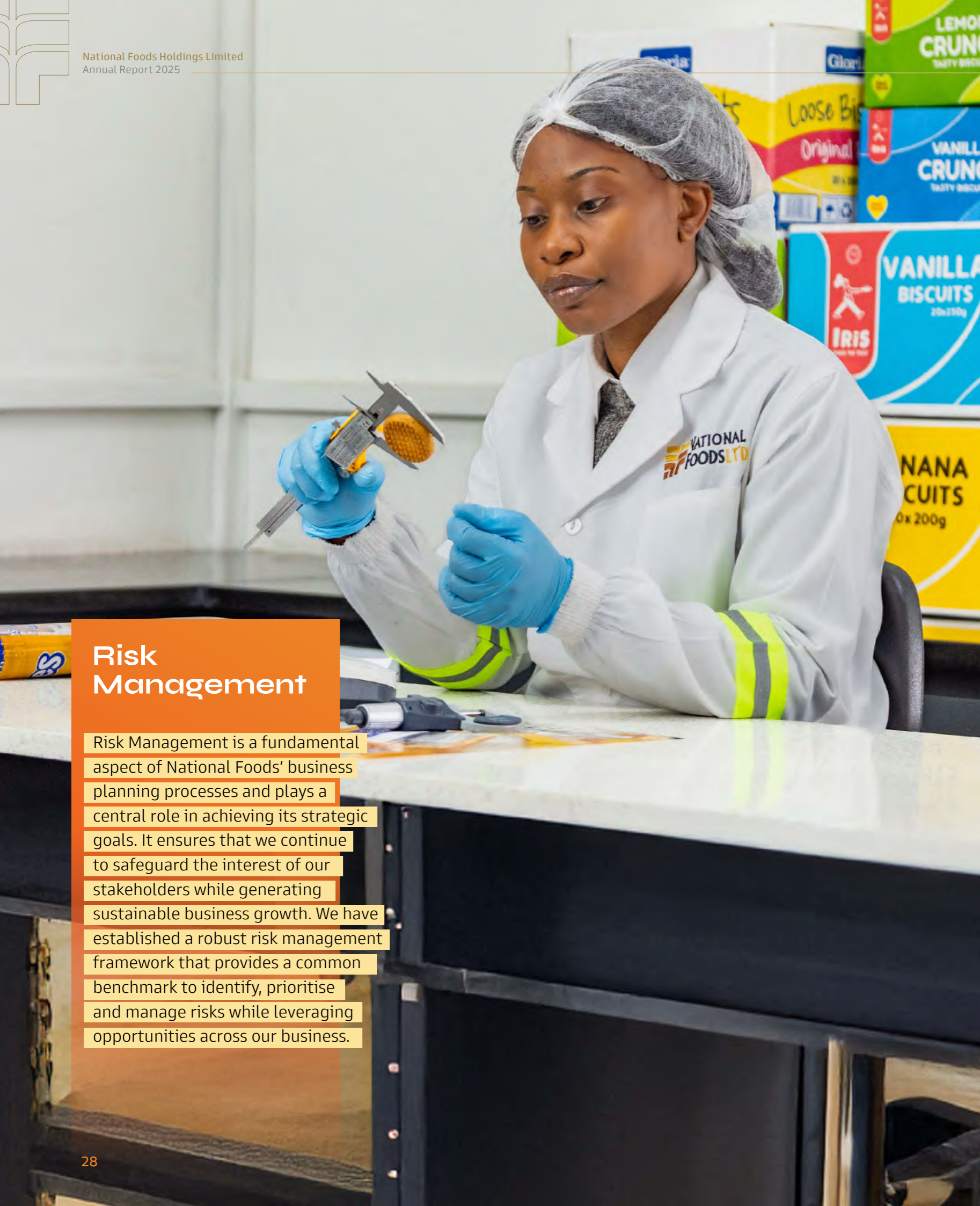
During the reporting period, committee meeting attendance was as follows:

Director

E. Manikai
T. Moyo
G. Gwainda
J. Schonken
T. Kruger
T. Govender
M. Lashbrook
L. Nyandoro

Director	Main Board (Meetings)	Audit and risk (Meetings)	AGM & EGM (Meetings)	Remuneration (Meetings)
E. Manikai	5/5	3/3	1/1	
T. Moyo	5/5	3/3	1/1	
G. Gwainda	5/5	3/3	0/1	2/2
J. Schonken	4/5	2/3	1/1	2/2
T. Kruger	5/5	3/3	0/1	2/2
T. Govender	5/5	3/3	0/1	2/2
M. Lashbrook	5/5	3/3	1/1	
L. Nyandoro	5/5	3/3	1/1	





Risk Management

Risk Management is a fundamental aspect of National Foods' business planning processes and plays a central role in achieving its strategic goals. It ensures that we continue to safeguard the interest of our stakeholders while generating sustainable business growth. We have established a robust risk management framework that provides a common benchmark to identify, prioritise and manage risks while leveraging opportunities across our business.

Risk Management (Continued)

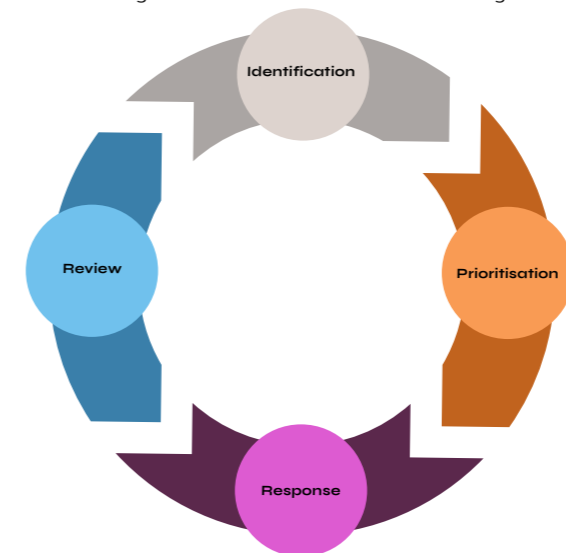
Risk Governance

The Board plays an oversight role in risk management and internal controls at National Foods. It executes its responsibilities through the Audit and Risk Committee. Managing the diverse nature of risk requires coordination and reporting of risk from every facet of our operations. The Board provides guidance on tolerable risks, risk appetite and the adequacy of prevailing controls in managing risks while the executive management is responsible for the implementation of the risk management process.

Risk Management Framework

National Foods regularly evaluates risks facing the business and proactively develops strategies to manage or mitigate them to ensure long-term success and sustainability. National Foods recognises the need to maintain strong stakeholder communication, ensuring that they are kept informed about the measures taken to address these challenges. Our approach to risk management includes external risks to the economy, society and environment.

Within our operations, we use a cyclical approach to risk management that encompasses four key stages: identification, prioritisation, responding and reviewing. During the identification stage, we strive to identify and understand potential risks that may impact our operations. These risks are then prioritised based on their likelihood of occurrence and the potential impact they may have on our operations. The Group responds with risk mitigatory measures that achieve an appropriate balance between cost and benefits. The same risk treatment process is applied in the exploitation of opportunities identified in the risk management process. The precautionary principle is also a significant element of the risk management



system for the Group, guiding us in assessing environmental risk. We continuously review our risk profile to ensure it is up to date and preserve company value for the benefit of all stakeholders.

Key Business Risks

The key risks facing the Group and considered by the Board and management are detailed below. These are not the only risks facing the Group as there may be additional risks not currently known to us or that we deem to be immaterial, which may adversely affect business, financial position, and operations in future periods.

Regulatory

The regulatory environment remains unpredictable impacting our short to medium term planning, thereby increasing the risk of doing business. We remain engaged with our regulators to address all key issues and ensure constructive engagement.

Policies

The business environment is characterised by policy inconsistencies, fluctuating exchange rates, and hyperinflationary effects impacting the pricing of goods. Key issues relate to taxation, currency management, exchange control and bank policies. Changes in domestic regulations or policies related to food manufacturing, distribution, and sales could impact operational efficiency and profitability. Such changes could lead to increased operational costs, reduced market access, and potential disruptions in the supply chain.

Contagion risk

The Group extends secured and unsecured credit to its customers and deals with bank and financial institutions. Volatility and uncertainty in the operating environment could lead to financial instability of trading partners, including suppliers and large customers. The effects of this could be payments default or disrupted business relationships default or collapse, bankruptcy, and insolvency of our key counterparties, resulting in contagion risk. Increased credit risk and potential cash flow challenges could have a knock-on effect on the Group's financial health and operational continuity. The Company continues to carry out due diligence on all counterparties as appropriate and regularly reviews the credit policy in line with customer performance and the operating environment.

Risk Management (Continued)

Limited Availability of Foreign Currency

Restrictions in accessing foreign currency coupled with its limited availability could impede the Company's ability to timely import critical raw materials and machinery causing delays or disruptions to production schedules, increased operational costs, and potential challenges in meeting market demand. In response, the Company sources packaging and raw materials locally as far as is feasible.

Increase in Competitor Activity

The entry of new competitors focusing on localised distribution, low quality basic commodities while employing cutthroat pricing strategies and the expansion of existing ones into new categories could reduce market share and margins. As such, heightened competition might necessitate increased market spend, leading to thinner margins and a shift in consumer loyalty. We continue to offer a competitive product range across market segments.

Instability in the Availability and Supply of Raw Materials and Utilities

1. Unstable Availability and Supply of Raw Materials

The Group relies on agricultural raw materials that include grains such as maize, rice, and wheat, whose supply is impacted by adverse weather patterns and decreased agricultural productivity in the country and region, resulting in the local market being short of the required raw materials. The Company has locked in beneficial arrangements with local suppliers and maintains an adequate pipeline from regional imports and deep seas to ensure stock availability.

2. Unstable Availability and Supply of Power

Inconsistent power supplies or outages could disrupt manufacturing processes and impact product quality, as well as lead to increased operational costs due to reliance on backup power solutions, potential product waste, and challenges in meeting delivery timelines. The Company has installed backup generators and solar power at critical sites deemed necessary to enable continued operations during power outages and implemented power supply infrastructure upgrades at sites with aging and substandard infrastructure.

3. Unstable Availability and Supply of Water

Water scarcity or interruptions in water supply could hinder various production processes, given its critical role in food manufacturing, as well as lead to the possible shutdown or slowdown of certain production lines, increased costs from sourcing alternative water supplies, and potential product quality issues. The Company has supplementary borehole water facilities at all the sites.

Environmental Risk

Environmental responsibility is an important aspect of the Group's operating practices. The Group gives high emphasis to the importance of environmental risk by being environmentally compliant and setting robust policies, goals and targets. The Group aims to avoid, minimise, mitigate, monitor and manage environmental risks from its activities by adhering to responsible practices and undertaking regular environmental and occupational health and safety inspections. The results from the inspections are included in a positive feedback management cycle.

Climate Change Risk

Another aspect of environmental risk is the impact of climate change on our operations. The Group recognises the need to review climate risk exposure and to develop appropriate strategies to ensure resilience throughout our operations and within our sphere of influence.

Cybersecurity and Data Protection

The Group relies on information technology systems to process, transmit, and store electronic information. In addition, most payment systems are either online or utilise electronic platforms and technologies. There are increasing cyber-attacks capabilities due to the rising level of sophistication within the cyber-criminal world, which could result in business interruptions.

Technology evolves swiftly and operations are becoming more complex with the operational environment consequently becoming more challenging. Rapid technological changes are altering the way companies can be affected by malicious cyber activity. Any unauthorised access to the Company's confidential data, strategic information, or its public disclosure could harm the Company's reputation or impact its operations.

With the promulgation of the Data Protection Act (Chapter 11:22), there is now a risk of tighter regulations on access to personal data of customers.

Adequate cybersecurity management requires a strategic approach that involves implementing appropriate security controls, and preventing, detecting, and responding to cyber incidents as they occur. Cybersecurity management is a continuous process that adapts to the changing threat landscape and business environment. Cyber-attacks often result in substantial financial losses and potential consumer mistrust. As such, we ensure alignment of our data management systems to the Data Protection Act (Chapter 11:22). Through our processes, we aim to minimise the risk of fines and regulatory sanctions due to deliberate data loss, infiltration, or hacking of systems.

Risk Management (Continued)

To help National Foods to promptly identify potential external and internal cybersecurity breaches, various technologies and tools have been deployed relevant to the level of countermeasure required.

- National Foods has invested in a centralised, Cloud based system to enhance operational efficiency and strengthen data management across the Group. Cloud security and data security ensure critical systems, processes and data are sufficiently protected from cyber-criminals and other malicious activities. Application security measures safeguard platforms used by employees from potential vulnerabilities. Vulnerability management together with risk and compliance services provide internal and third-party perspective on points of cybersecurity weakness and areas for improvement.
- National Foods has digitalised its operations by investing in a cloud-based Enterprise Resource Planning (ERP) system SAP HANA Cloud. The platform offers a comprehensive set of features and capabilities that enable the business to standardise business processes, drive digital innovation and transformation, and enhance operational security. This investment positions the business to operate more efficiently and remain competitive in an increasingly digital environment.
- SAP S/4 HANA provides a broad range of encryption capabilities, it has communication encryption, data-at-rest encryption as well as backup encryption which are always activated and are part of SAP S/4 HANA's core feature set. The system also incorporates key security functionalities such as authentication, authorization, encryption, and auditing.
- Users must have both the privilege(s) to perform operations in the SAP S/4 Database and to access the resources to which the operation applies. Privileges are granted to users either directly, or indirectly through the roles that they have been granted. In this case, the privileges are inherited as roles are the standard mechanism of granting privileges to users.
- For system availability SAP Cloud provider for National Foods' system – Microsoft Azure – ensures system availability, minimising downtime with redundancy and failover mechanism.
- SAP is also responsible for implementing disaster recovery measures which include data backup and restore procedures to ensure data can be recovered in the event of a disaster.



National Foods S4HANA Private Cloud System Risk Management

National Foods S4hana system is essentially outsourced as a SaaS to SAP via Microsoft Azure environment. This has necessitated the importance of a Third-Party Risk Management Program to reduce vendor security risks leading to data breaches.

The SLA between SAP and National has allowed 99.7% Availability but because of the Third -Party Risk that must be managed National has embarked on a Risk Management plan that allows a combination of Cloud and On-Premise technologies to allow for Disaster Recovery and Business continuity.

SAP as an outsourcing Vendor has been classified as a third party and is a potential attack vector for a data breach or cyber-attack. This risk is therefore mitigated through the following:

- A new policy to manage Parties is being developed within National Foods to mitigate any exposure that would be from the Vendor.
- A Business Impact Analysis (BIA) is continuously being carried out within National Foods to allow prompt and efficient reaction to critical data loss, that would affect business operation. These include:
 - Manufacturing Plants
 - Critical Intellectual Property like recipes.

A clearly documented plan is being developed to ensure every impactful data and process has been identified and has mitigation.



Ethics and Business Conduct

National Foods is dedicated to upholding world-class standards of business conduct. Our objective is to fulfil our ambitions by faithfully and efficiently serving the needs of consumers while prioritising the interests of both business and society.

Good ethics are important to how we conduct business. To ensure that our directors and employees observe the highest ethical standards, we have values and principles to guide them on the appropriate behaviours expected by the Group. Our Code of Ethics and standards of business conduct guide us in promoting equal opportunities and fairness while strengthening our reputation and relationships with stakeholders.

Key elements of the Code include:

- **Business conduct** – employees must always treat all business partners with respect and integrity.
- **Conflict of interest** – avoiding any situation that has the potential to undermine the objectivity of a person as a result of a possible clash between personal interests and professional business interests.
- **Competition** – complying with all applicable competition laws; employees should never share information with competitors.
- **Trade in Group's products** – the Group and its employees should not trade in illicit, smuggled, or counterfeit products.
- **Society and the general environment** – The Group ensures that its actions contribute positively to society and minimize environmental impact. Work environment – everyone has a contribution towards building a safe and secure workplace.

Our employees undergo awareness training on our approach to ethics and the behaviour expected of them. These behaviours are embedded in our new employee induction programme to ensure awareness at the first point of contact with the Company. The behaviours are spelt out in the Group's Core Values, Code of Ethics, Code of Conduct and Standards of Business Conduct. Business partners, suppliers and other stakeholders are informed of appropriate ethical behaviours through contractual agreements.

Anti-corruption

The Company takes a comprehensive approach to anti-corruption management and recognises the impact that corruption poses to its financial stability, reputation, and ethical standing. We have therefore implemented robust procedures to prevent and detect corruption within all our operations and subsidiaries.

We are committed to maintaining the highest standards of integrity and ethical conduct and have developed procedures for effective reporting and investigation of any cases of misconduct. Investigations are conducted in a fair, non-prejudicial manner irrespective of the suspect's length of service, position and/or relationship to the Group.

Our anti-corruption culture encourages employees to timeously report all allegations or incidents of fraud, theft and corruption. Apprehended employees may be subject to a disciplinary process or criminal investigation by the police authority.

Employees submit Tip Offs Anonymous Reports to ensure that all cases are raised for the attention of the Group and significant rewards are given for any useful information from whistle-blowers. NFL supports and fosters a culture of zero tolerance for fraud, corruption, and theft in all its activities.

Whistle-blower system

The Group has a whistle-blower system independently managed under the Axcantium EthicsLine platform. This system utilises hotlines and email channels for employees and stakeholders to report breaches of the Code of Ethics and Code of Conduct. Confidentiality is maintained throughout the process, providing reporters with the assurance of reporting fraudulent activities without fear of victimisation. The reported allegations are then investigated to substantiate breaches to the Code of Ethics and Code of Conduct. The Group deals accordingly with individuals found guilty. The repercussion of violating the Code of Conduct can lead to the suspension and dismissal of the individuals involved.

Compliance

Ensuring regulatory compliance is a crucial task that requires attention to detail, knowledge of the relevant laws and standards, and effective communication with the authorities and customers. We place high value on being legally compliant with national and international standards to which the Group has been certified or licensed. Being a major producer of FMCG products for the Zimbabwean market, we adhere to the following national legislation:

- Companies and Other Business Entities Act [24:31]
- Factories and Works Act, Chapter 14:08
- Environmental Management Act (Chapter 20:27)
- Public Health Act (Chapter 15:09)
- Labour Act (Chapter 28:01)
- Accident Prevention (Workers Compensation Scheme) Notice – Statutory Instrument No. 68 (of 1990)
- Environmental Management (Effluent & Solid Waste Disposal) Regulations, Statutory Instrument No. 6
- Environmental Management (Control of Hazardous Substances) (General) Regulations, 2018. Statutory Instrument No. 268 of 2018
- Environmental Management (Environmental Impact Assessment & Ecosystems Regulations) Statutory Instrument No. 7 of 2007
- NSSA Act of 1989, Chapter 17: 04 (Social Security Schemes for the provision of benefits to all employees)



Sustainability In Our Business

Sustainability Strategy And Governance

Sustainability continues to be firmly embedded into the Group's corporate strategy. It is a significant driver of how the business manages operational risk and drives the strategic positioning of the Group for long term business success. The main objective of our strategy is to align our practices and goals with the following sustainability principles.

Sustainability In Our Business (Continued)



ECONOMIC SUSTAINABILITY:

Focus: Balancing business success with environmental and social considerations.

Activities: Responsible financial practices, affordable quality products, responsible supply chains, and inclusive local business partnerships.



ENVIRONMENTAL SUSTAINABILITY:

Focus: Managing resources and minimising pollution, and climate change resilience.

Activities: Efficient production processes, efficient energy and water use, waste reduction, and climate change adaptation and mitigation.



SOCIAL SUSTAINABILITY:

Focus: Employee welfare, customer welfare and local community development.

Activities: Fair labour practices, diversity and inclusion, access to affordable nutritional products, community engagement and support.



GOVERNANCE OF SUSTAINABILITY

The Group subscribes to the principles of environmental and social responsibility throughout its operations and value chain. The Board's Audit and Risk Committee is responsible for the Group's sustainability strategy and policy. This includes decision making on and overseeing the management of the Group's impacts on the environment, society and economy, along with compliance with sustainability disclosures. The Committee reviews and advises on sustainability policies and practices to ensure that these are discussed, understood, owned, and promoted at Board level. The Committee is supported by the sustainability champions within the organisation who report to the Committee quarterly.

By aligning with these principles, the Group aims to effectively manage its environmental impact, support local communities, and ensure the health and safety of its employees and customers.

National Foods applies international standards and certifications to manage sustainability issues relating to operations and products. The Group is certified for ISO 9001:2015 - Quality Management System and our Cereals, Culinary and Baby Food (CCB) business unit is certified for ISO 22000:2018 Food Safety Management System. Further, the Group is guided by the standards ISO 26000 on Social Responsibility, ISO 14000 on Environmental Management and ISO 45000 on Occupational Health and Safety (OH&S). Reporting and disclosures are based on the Global Reporting Standards (GRI 2021).

The Group's sustainability strategy is based on the following four pillars through which we make a difference:

Health and Nutrition

Through its products and services, the Group seeks to help consumers and society access affordable nutritional products as a means to end hunger and improve health.

Responsible Production and Environmental Stewardship

Production processes are monitored to ensure efficiency while reducing negative impacts associated with the Group's production processes and products.

Our People and Society

NFL is a hub of opportunity for surrounding communities and employees. The business seeks to create an atmosphere of respect, equal opportunity and diversity while investing back into its communities and helping solve local development challenges.

Supply Chain and Agriculture

The Group recognises that agricultural products are central to its business and their steady supply is critical for continued operations. The business supports local farmers and suppliers enabling them to meet the increased demand for food as the national population grows. The business works together with supply chain partners to manage the risks that they create.

Sustainability In Our Business (Continued)

Through embedding sustainability into the Group's strategy, we strive to contribute to long-term stakeholder value and create a positive impact within the environment in which we operate.

SUSTAINABILITY MATERIALITY ASSESSMENT

Materiality Process

As a Group, a materiality assessment is conducted annually to determine economic, environmental, social, and governance issues specific and material to our operations. The process focuses on double materiality which considers both the financial risk to the Group and the external impact to stakeholders.

The material topics are managed based on the Group's overall policies, goals and objectives. Targets are set, and management systems are used to measure, monitor and report performance accordingly. The Group develops and implements remediation measures and management activities as appropriate.

The most material issues shape our sustainability strategy and guide our reporting. Updates are provided to stakeholders through the annual report, business communications and press releases.

The Group initially engaged external, independent ESG subject matter experts to undertake a Materiality Assessment Workshop which was attended by Group executives and senior management representatives from every business unit. The purpose of the workshop was to update the Group's material topics to ensure that sustainability information and disclosures align with the Group's strategy, operational context and stakeholders. These material topics are reviewed every six months.

Material Topics

Where issues are material, the Group's management devises appropriate remedies and informs stakeholders through the annual report, regular updates, and press releases. During the year, the following topics were identified as material to the business and our stakeholders: Sustainability Goals and Targets

<h3>Economic</h3> <ul style="list-style-type: none"> Legal and regulatory compliance Raw material Sourcing and Efficiency Cybersecurity Competitiveness and Affordable Pricing / Price Controls and Monitoring Responsible Supply Chain Management Informal Sector Growth 	<h3>Environment</h3> <ul style="list-style-type: none"> Energy Availability, Supply and efficiency Climate Change Adaptation and Resilience Water Supply and Management Waste management including solid waste, effluent and wastewater 	<h3>Social</h3> <ul style="list-style-type: none"> Product Safety and Quality Customer Welfare and Satisfaction Product Traceability and Labelling Employee Welfare, Development and Benefits Factory Safety Community Involvement and Development Occupational Health and Safety
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Sustainability In Our Business (Continued)

Sustainability Goals and Targets

Based on our materiality assessment, the Group has committed to the following goals and targets:

Energy Management:

Goals:	<ul style="list-style-type: none"> Minimise energy consumption by improving energy efficiency across all key areas of our operations. Reduce dependency on the national grid by adding solar into the energy mix of the business. Raise energy management awareness among employees, suppliers and local community/ neighbours. Ensure goals align with climate change adaptation and resilience. 	Targets and initiatives:	<ul style="list-style-type: none"> Implement energy usage reductions of 10% per tonne of product produced by 2026. Reduce our reliance on grid electricity by 35% by 2026 through phased installation of solar plants, starting with the Aspindale facility in 2025 and the Stirling Road facility in 2026.
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The plans to migrate to cleaner, more reliable energy sources and develop a solar plant capable of offsetting some of the energy requirements at the Aspindale site in Harare have progressed significantly in F2025 with the solar plant coming online in July 2025. The 2.70MW rooftop array project at Aspindale is currently producing an average of 10.3MWh per day, approximately 29% of the site's power usage. Our burden on the national grid and reliance on back-up diesel generator systems will be reduced

Water Management

Goals:	<ul style="list-style-type: none"> Minimise water consumption by improving water efficiency. Participate in the protection and sustainable use of water catchment areas. Ensure measuring, monitoring and evaluation processes to track water-use activities. Implementation of water recycling initiatives. Compliance with water-related legislation and obligations. Transparent and constructive water stewardship interactions with our shared-water stakeholders. 	Targets and initiatives:	<ul style="list-style-type: none"> Reduce water consumption by 10% through implementation of a new monitoring and tracking system in 2026. Improve water stewardship engagement and encourage practical solutions to water reduction.
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Waste Management

Goals:	<ul style="list-style-type: none"> Reduce environmental impact and promote efficiency. Improve systems for measuring, monitoring and management of waste. Implement collection, reuse and recycling of post-consumer, end-user waste. 	Targets and initiatives:	<ul style="list-style-type: none"> Implement waste reduction of 5% by 2026. Invest in Waste to Energy technologies e.g. Pasta's hot water boiler that uses wheat feed as raw material and not coal. Wheat feed comes from Flour Milling. Promoting sustainable consumption patterns by monitoring resource usage
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Sustainability In Our Business (Continued)

Supply Chain and Procurement:

Goals:	<ul style="list-style-type: none"> Sourcing commodities through recognised international responsible sourcing programmes and certification schemes. To develop mandatory sustainability compliance requirements for our suppliers. 	Targets and initiatives:	<ul style="list-style-type: none"> 80% audits of all regular suppliers by H1F26 for environmental and social screening.
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Community involvement and development:

Goals:	<ul style="list-style-type: none"> Engage in proactive community initiatives based on community needs assessments, designed to deliver positive impacts for vulnerable communities and for social development. Give back to the communities who supports us by contributing to noteworthy initiatives across the country. 	Targets and initiatives:	<ul style="list-style-type: none"> For FY2025, the Group's full year spend on these activities was US\$ 505 748 representing 5.61% of Profit after Tax. We have supported initiatives in a wide range of sectors.
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STAKEHOLDERS ENGAGEMENT

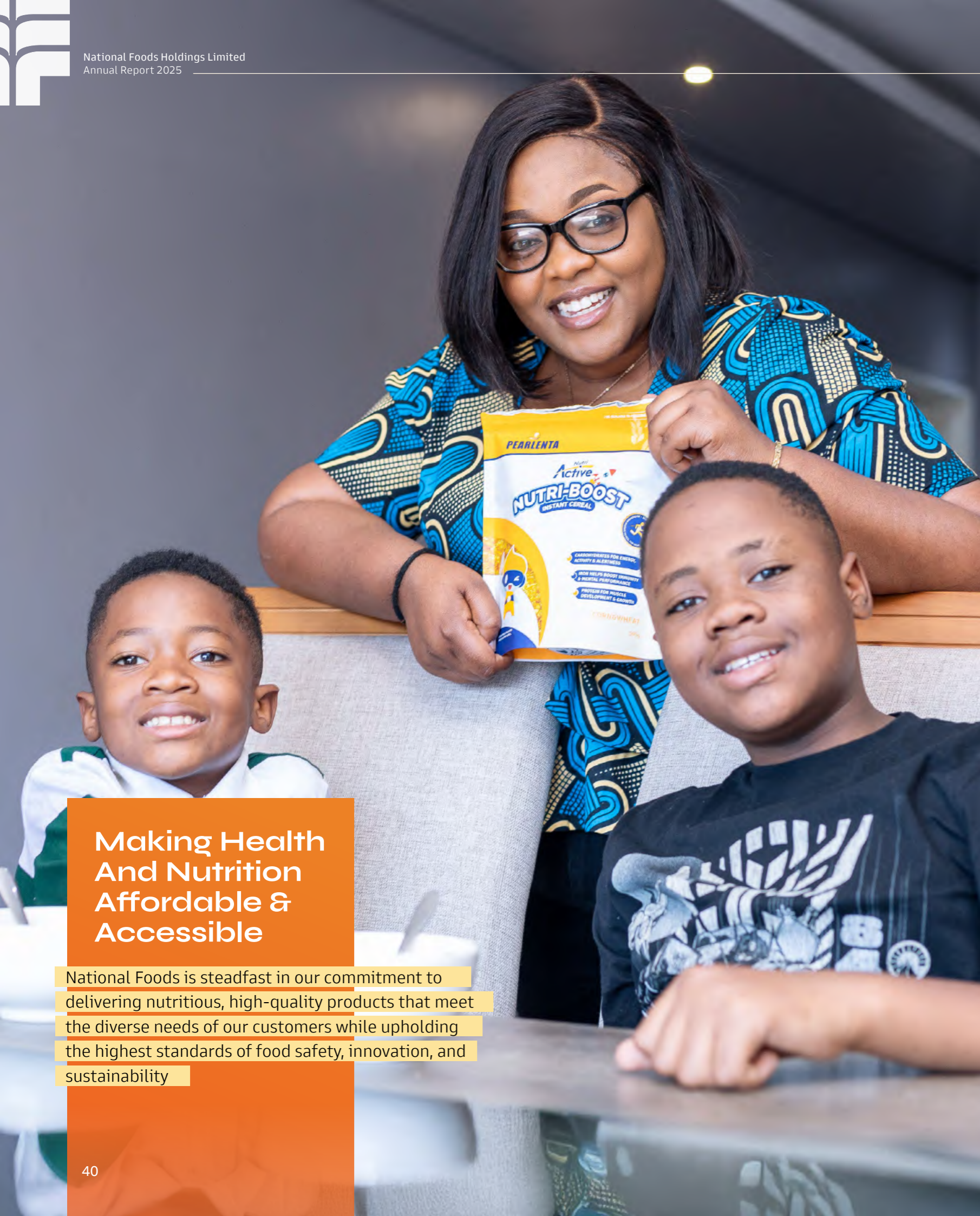
The Group maintains sustainable relations with stakeholders to uphold shared values in the spirit of inclusivity and to foster strong relational capital. We believe that sustainable relationships are critical for long-term value creation and business success. The relationships we have built over the decades continue to inform how we manage enterprise risk and business development. During the year, we engaged with various stakeholders whose issues informed contents of this report.

Our engagements are presented below:

Stakeholder	Material issues raised or stakeholder concerns	Mitigation measures	Mitigation measures
Employee/ staff	<ul style="list-style-type: none"> Work Council Issues, Business Performance, SAP implementation issues, Workers Trust Issues, and Workers Grievances 	<ul style="list-style-type: none"> Dialogue through Works Council, Employee Engagements, Presentation of Company Results, People meetings 	<ul style="list-style-type: none"> Face to face meetings, virtual meetings, emails, telephone calls and WhatsApp messages, Internal Communication, Performance review feedback, CEO and Line managers' engagements Code of Conduct reviews Notice Boards Workers Trust Cascades Works Council meetings, and Tip-off anonymous platform
Suppliers	<ul style="list-style-type: none"> Fleet management and materials delivery, Grain procurement plans and forecasts, Capex procurement 	<ul style="list-style-type: none"> Agreement on price and delivery schedules, Agreement on trading terms, Capex project implementation 	<ul style="list-style-type: none"> Face to face meetings, virtual meetings, emails, telephone calls and WhatsApp messages. Suppliers Code of Conduct, Company profiles and site visits, Conflict of interest declarations

Sustainability In Our Business (Continued)

Stakeholder	Material issues raised or stakeholder concerns	Mitigation measures	Mitigation measures
Industry	<ul style="list-style-type: none"> Import and export requirements, Wheat permits, Purchase of Grain Marketing Board maize and traditional grains Engagement of Zimbabwe Mercantile Exchange (ZMX) 	<ul style="list-style-type: none"> Alignment of policies with government, agreement reached on the tonnage to be imported for the different raw materials and export of cereals. ZMX offered NFL an alternative procurement channel for local crop 	<ul style="list-style-type: none"> Face to face meetings, virtual meetings, emails, telephone calls and WhatsApp messages, Engagements with GMB, GMAZ and PHI, Agrobusiness meetings, Meetings with industry associations, Participating in lobby forums both directly and through various associations such as GMAZ, CZI, Buy Zimbabwe and Stockfeeds Manufacturing Association of Zimbabwe (SMA),
Government & Regulators	<ul style="list-style-type: none"> Ministry of Lands, Agriculture, Water, Fisheries, Climate & Rural Resettlement, Grain Millers Association (GMAZ), Stockfeeds Manufacturing Association of Zimbabwe (SMA), Agricultural Marketing Authority (AMA), and other regulators Official opening of the Biscuit, Pasta and Cereal plants in Harare by the President of the Republic of Zimbabwe 	<ul style="list-style-type: none"> Lobbying for inputs, duty on maize grain and flour finished products Trip to the USA to establish safe protocols for maize imports and unlock permits The official opening of the NFL plants significantly bolstered NFL's corporate image and elevated brand recognition and acceptance on both national and global stages. Consequently, the group is poised for exciting growth and expansion opportunities ahead. 	<ul style="list-style-type: none"> Face to face meetings, virtual meetings, emails, telephone calls and WhatsApp messages, Statutory returns. Meetings with industry associations. Direct meetings and lobby forums with regulators
Shareholders & potential Investors	<ul style="list-style-type: none"> Business strategy Quarterly performance reviews 	<ul style="list-style-type: none"> Results Presentations Alignment with the Board on quarterly results Strategic objectives and capital expenditure approved 	<ul style="list-style-type: none"> Face to face meetings, virtual meetings, emails, telephone calls and WhatsApp messages, Board and Exco meetings, Annual Report, Annual General Meeting, Internal audit reviews, Social media, and Website updates
Consumers & Customers	<ul style="list-style-type: none"> Business performance review and upcoming focus areas, Performance feedback Business development initiatives 	<ul style="list-style-type: none"> Review of key actions and gap closure plans Review and agreement on pricing and trading terms 	<ul style="list-style-type: none"> Face to face meetings, virtual meetings, emails, telephone calls and WhatsApp messages Shop visits Sales team interactions Consumer and customer surveys Consumer and customer immersions Social media and websites
Local Communities	<ul style="list-style-type: none"> Corporate Social Responsibility (CSR) Consumer Social Investment (CSI) Engagement with beneficiaries Environmental protection and waste management Community training and development Community health 	<ul style="list-style-type: none"> Compliance with legislation and regulations Community needs assessment and responsiveness to community development needs Development of strategic CSI portfolios Recreational activities Health service provision 	<ul style="list-style-type: none"> Face to face meetings, virtual meetings, emails, telephone calls and WhatsApp messages CSR initiatives CSI programs Social media and websites



Making Health And Nutrition Affordable & Accessible

National Foods is steadfast in our commitment to delivering nutritious, high-quality products that meet the diverse needs of our customers while upholding the highest standards of food safety, innovation, and sustainability

Making Health And Nutrition Affordable & Accessible (Continued)

FOOD SAFETY AND QUALITY

National Foods recognises the importance of ensuring food safety and quality. The safety and quality of food starts from the raw materials to the final products. Food products have inherent potential to lead to health concerns for consumers and as such, management's has strong commitment to addressing public health and safety concerns. The nature of our products demands that we approach food safety in a systematic manner to ensure replicable and reliable results. Our laboratories sample, screen, test and analyse products, starting from raw materials to finished goods. The Group has predetermined standards that guarantee food safety and high-quality products. Failure to ensure food safety and quality standards results in various potential negative impacts on the business, which include among others, product contamination, litigation and closure of the business.

Management Approach

National Foods Limited's approach is guided by universally recognised certification standards. The Group is developing and will roll out the HACCP system with the view of certification for all food manufacturing businesses. The CCB business is currently certified to the FSSC 22000 standard and NFL will ensure all operations comply with all relevant food safety legislation and regulations. The Food Safety and Quality strategy includes sampling and testing of raw materials for quality, in-process checks and analysis, quality control and assurance, compliance with the Food and Food Standards Act (15:04), quality indexing and food defence. The Group will continue to improve and uphold high standards with our goal being to ensure all that manufacturing units are certified to international standards and achieve 100% quality assurance, with a target of zero litigation on product quality and no repeat customer complaints

PRODUCT HEALTH AND NUTRITION

National Foods remains committed to producing high-quality products that align with the health and nutritional needs of our customers. As a responsible manufacturer, we consistently monitor and respond to evolving dietary guidelines, customer preferences, and regulatory requirements.

Management Approach

Our operations across the value chain are guided by the newly launched Zimbabwe National Quality Policy, which will go a long way in improving consumer safety. Alongside our internal Food Safety and Quality policies, this forms the foundation of our commitment

to upholding the highest standards.

We actively manage potential risks by adhering to the Food and Food Standards Act (15:04), ensuring our products meet the highest standards of quality and safety. As part of our ongoing efforts to enhance food safety across all business units (BUs), we are implementing formal Hazard Analysis and Critical Control Points (HACCP) training. HACCP is an internationally recognized system that helps identify, prevent, and control potential food safety hazards throughout the entire production process.

Our Cereals, Culinary & Baby (CCB) Food division maintains ISO 22000 Food Safety Management System certification, demonstrating our dedication to maintaining world-class production standards. It has also recently been certified by YUM!, another global Product Quality and Safety governing body. We strive for 100% quality assured, innovative, and compliant consumer products, and our systems are designed to adapt promptly to changes in customer needs and governmental regulations.

Innovation remains at the forefront of our strategy, driven by the valuable feedback we receive from our customers, employees, and stakeholders. By continuously listening and learning, we aim to develop and refine products that not only meet but exceed expectations.

Sustainability also plays a critical role in our approach to product health and nutrition. We are dedicated to sourcing ingredients responsibly and reducing our environmental impact throughout the production process. By integrating sustainable practices into every aspect of our business, we strive to create a healthier future for both people and the planet.

PRODUCT INNOVATION

Our exciting growth journey in FY25 was powerfully fuelled by strategic capacity expansion. The commissioning of our two new, state-of-the-art manufacturing plants now serves as the operational platform for highly differentiated product innovation, enabling our bold entry into value-added and exciting food spaces. This success is best exemplified by the launch of new category brands like Primo pasta and Gloria Munchies biscuits.

The R&D teams maintain a vast pipeline of new ideas, which they are constantly testing and perfecting to delight our consumers. Our ongoing focus is on building a diverse portfolio of nutritious, affordable,

Making Health And Nutrition Affordable & Accessible (Continued)

and sustainable products to meet evolving needs. These innovations have powerfully reinforced the relevance of our core brands while successfully establishing new ones, translating directly into opportunities for sustainable business and category growth. Together, we aim to support people and livestock at every stage of life, now and for the future.

PRODUCT LABELLING AND REGULATORY COMPLIANCE

National Foods places significant emphasis on labelling accuracy and transparency, recognizing that precise product information is fundamental to consumer trust and informed purchasing decisions. Being a manufacturer of Fast-Moving Consumer Goods, comprehensive labelling regarding ingredients, allergy warnings, expiry dates, and handling instructions is an operational priority.

Management Approach and Compliance

Our management approach is rooted in providing all mandatory, legislated packaging information. The Group adheres rigorously to local and international standards, specifically:

- The Zimbabwe's Food & Food Standards (Food Labelling) Act (Chapter 15:05).
- International guidelines set by the Codex Alimentarius Commission (CAC).
- The Stockfeed Manufacturing Association (SMA) Labelling Guidelines for our Stockfeed division.
- We enforce quality and compliance through a three-tier sign-off process involving multi-disciplinary reviews, legal compliance checks, and market surveys. This robust system supported by executive trade visits and internal audits ensures the Group strives for 100% compliance and a corresponding reduction in customer complaints.

Sustainability and Local Commitment

We integrate our sustainability and community commitments

directly into our packaging. All products carry environmental protection signs, such as 'Do not litter' and 'Recycle', to actively encourage responsible waste disposal. Furthermore, our locally manufactured lines bear the 'Buy Zimbabwe' logo and, where required, display essential food fortification icons, with all claims validated by the relevant professional and regulatory bodies.

Product Marketing And Responsible Marketing

The Group is deeply committed to ensuring that all products are marketed in a manner that upholds the highest standards of transparency and integrity, thereby protecting our established brands and safeguarding the consumer trust built over more than a century.

Our marketing approach is guided by principles of fair and responsible communication, directly aligning with the social pillar of our ESG strategy.

Management Approach

To mitigate risk and ensure compliance, we implement the following controls:

- **Pre-Approval Process:** All advertising and promotional materials are subject to rigorous evaluation and must receive the necessary internal and regulatory approvals prior to deployment.
- **Non-Misleading Communication:** We mandate that all claims and messaging are substantiated to ensure they do not mislead or misrepresent product benefits to the consumer.
- **Trade Partner Alignment:** The Marketing team regularly engages with our trade partners and retailers to ensure products are consistently promoted and marketed in alignment with National Foods' core values and ethical standards.



Supply Chain

Our company depends on a strong supply chain that includes farmers, ingredient suppliers, and service providers, enabling us to create the products essential to our operation. As a Group we have established a procurement system tailored for the NFL to oversee our supply chain and agricultural effects. This system is upheld through our Procurement Policy



Supply Chain (Continued)

MANAGEMENT APPROACH

The supply chain management system is crafted to promote environmental responsibility, honour human rights, and bolster local enterprises and farmers. This system allows us to evaluate our suppliers based on their history and considering sustainability factors like environmental effects, social behaviours, corruption, legal compliance, and human rights standards. Upholding a sustainable value chain is essential as it protects our brand identity and reputation.

We recognise that agricultural products are fundamental to our operations, and their consistent supply is vital for our ongoing activities. Through our supply chain partners, we assist local farmers and suppliers to meet the growing food demand driven by population increases. Our suppliers help us adapt to the constantly evolving consumer preferences by providing high-quality raw materials for our products. By prioritizing the procurement of locally sourced materials whenever feasible, we enhance local employment opportunities and contribute to broader economic progress. The benefits include increased supply reliability, diminished transportation needs (resulting in a reduced carbon footprint), alleviating global supply difficulties, and overall enhanced resilience of the supply chain.

The Group sourced 21% of its products and services locally in FY2025 while 79% was imported (in terms of tonnage) and 18% of its products and services locally while 82% was imported (in terms of \$ value). Maize imports have moved the balance as there was no maize locally owing to the El-Nino induced drought. Fuel has been left out as it is not locally produced but sourced locally. National Foods does not have import permits for fuel; hence it must be reported on separately.

During 2025 the Group's procurement was as follows:

Local	Imported
USD 51,513,759	USD 235,625,006
18%	82%
161,049 tons	607,132 tons
21%	79%

The above does not include fuel.

In response to global supply chain disruptions, such as the effects of the war in Ukraine, the resilience rather than the efficiency and optimisation of our supply chain has become critical. Global supply chain disruptions due to pandemics, climate change and/or wars has reinforced the importance for the Group to adapt our supply chain strategies by focusing on resilience to disruptions in order to mitigate any potential geo-political and socio-economic impacts. Through mapping supply chain vulnerabilities and corresponding procurement planning, we aim to offset procurement delays, especially of critical stocks for the business.

RESPONSIBLE VALUE CHAIN

Our value chain in production encompasses sourcing of raw materials, manufacturing, and packaging. Energy and water play essential roles in these procedures. We oversee our production processes to guarantee efficient operation and to reduce negative effects on the environment and society.

We are aware of the associated business risks created by the behaviours and the practices of our suppliers. We appreciate that by working with businesses we can avert negative impacts such as child labour, human rights violations, stream bank cultivation, farming on wetlands, among other impacts. While we have not yet developed a robust system for uniformly auditing our suppliers across environmental and social criteria, we expect our suppliers to operate in accordance with our values, adhering to national laws, international health and safety standards and ethics in the supply chain business relationships by 2026. We urge our suppliers to operate ethically and uphold the highest standards of environmental and social practices. We seek to partner with them to set out the minimum social, ethical and environmental standards we expect as part of their relationship with us.

Responsible Production (Continued)

RAW MATERIALS

National Foods' production value chain utilises raw materials that include maize, rice and wheat. However, by-products from maize and wheat milling are utilised in the manufacture of stockfeed.

Management Approach

The Group's approach to raw material management starts from procurement to storage and the production process. Our procurement policy requires that raw materials are tested and screened to ensure the right materials are sourced. Any waste from the production process is recycled where possible to reduce the amount of final waste that ends up being dumped. We endeavour to find alternative use of waste materials. To track the effectiveness of our actions, we rely on internal audits, material sampling, and screening. Our goal is to maximise environmentally friendly raw material use.

Key Raw Materials

Materials Used	Unit	2025	2024	2023	2022	2021
Grains	Tons	566,064	511,228	330,855	328,588	314,658
Other	Tons	190,807	144,585	325,765	240,693	210,772
	Tons	756,871	655,813	637,878	569,281	525,430

PREVENTION OF POLLUTION

National Foods recognises the significant impacts of production waste and operations on the environment. The Group strives to optimise operational efficiency to minimise waste, emissions and take action on climate change.

Management Approach

The Group is working towards improving our environmental performance by monitoring any pollution that arises from our production processes. This includes monitoring and evaluating air emissions, waste management, use and disposal of toxic and hazardous chemicals as well as any effluent discharge.

The Group uses the SHE Policy to manage waste. The SHE Department conducts inspections and audits of waste generating points to ensure they are within stipulated targets. The business recycles milling waste for stockfeed production and feeds some of it into the cyclonic burner to maximise waste diverted from landfills. Our standard operating procedures on waste management are guided by the Environmental Management Act (20:27), Section 60 and the Environmental Management (Effluent and Solid Waste Disposal) Regulations, Statutory Instrument number 6 of 2007. During 2024, our environmental management actions included:

- Complying with national environmental laws
- Waste segregation and disposal
- Reusing milling waste or by-products for stockfeed

Our holistic management of waste is instrumental in complying with environmental laws, avoiding conflicts with communities, reducing disposal costs and achieving organisational targets for sustainable manufacturing.

During the 2025, our waste was disposed of using the following methods:

Waste Disposal Methods

Materials	Disposal Method	Unit	2025	2024	2023	2022	2021
Non-recovered waste	Landfill	tonnes	819	356	496	537	625
Recovered waste	Cyclonic boiler	tonnes	1,321	1,467	1,801	482	-
Total		tonnes	2,140	1,823	2,297	1,019	625

PRODUCTION WASTE MANAGEMENT

Waste management is a significant impact of our business due to the large volumes of product we produce. Managing solid waste and its disposal is a critical process of operations, which requires appropriate attention to ensure safe and responsible disposal methods, which meet environmental laws, together with statutory and international best practice and standards. Minimizing packaging and food waste, along with creating innovative packaging solutions and circular material flows, presents an opportunity to lower expenses and create new revenue sources and business models that decrease resource use and environmental harm, while also fostering enterprise development efforts aimed at tackling social inequality and economic exclusion.

National Foods is committed to reducing the amount of waste deposited at landfills and to increase the Group's commitment to the 5 R's (Refuse, Reduce, Re-use, Recycle and Recover) through our Zero Waste Philosophy and Best Environmental Option (BEO) approach to managing waste with the disposal of residual waste.

Cyclonic Boilers

The Group operates two cyclonic boilers that generate energy by burning waste materials, including plastic packaging and raw material byproducts, at elevated temperatures to create the steam necessary for processing. This approach not only greatly minimizes the waste we generate but also decreases the quantity of coal needed for our manufacturing operations. In F25, recyclable waste to the tune of 1321 tonnes was incinerated to produce steam energy.

Responsible Production (Continued)

Recycled Material

Materials	Disposal Method	Unit	2025	2024	2023	2022	2021
Paper cut-offs	Third party recycler	tonnes	31	21	47	44	7
Maize screening waste	Sale to farmers	tonnes	2,127	649	1,030	698	288
Scrap metal	Third party recycler	tonnes	239	272	85	65	8
Plastics	Third party recycler	tonnes	-	-	77	-	-
Total		tonnes	2,430	942	1,239	807	303

- Our waste management processes continue to look at how to prioritise reducing, re-using, recycling or recovering our waste in the first instance. A portion of our paper cut-offs from the Flour Mills and Cereals, Culinary & Baby Food division are, for example, recycled by a third party who buys the paper cut-offs to convert them into tissue paper.
- Zero waste philosophy with ongoing waste management programmes (recycling and reducing waste generation) including incinerating waste in National Foods' cyclonic boilers to produce the steam required for processing.
- With improvements to the waste collection process, a total of 1 321 tonnes of waste was incinerated during F2025, reducing National Foods reliance on coal-fired boilers. In H2 there was a saving of 381MT of coal, representing a 46% reduction in coal use, resulting in no coal being used to generate steam in March 2025.
- A biomass boiler was installed at the Pasta division in May 2025 as a substitute for the pre-existing electric boiler.

Recycled Material in Food Packaging

As a food manufacturer, National Foods follows stringent regulations on the type of packaging allowed to be used for packaging food products. To ensure customer health and safety, all our packaging is currently made from virgin plastic, and our supplier has been certified to Global Standard (BRGS) for Packaging Materials.

We are in discussions with our supplier to investigate the potential to use some recycled material in our packaging in the future.



The Group produced a total of 4,538 tonnes of waste in 2025 of which 18% was disposed of at landfill. 46% of the Group's waste went to farmers and 29 % was recyclable and went to cyclonic boilers to be incinerated to produce steam energy. Through third parties, paper cut-off and scrap metals were recycled over the year.

Air Emissions

National Foods operations generate air emissions from the two cyclonic boilers needed to produce steam for the production of stockfeed and cereals as well as several diesel-powered generators which are mainly required to run production during power outages.

Management Approach

To mitigate these negative impacts, we have a SHE Policy and ensure compliance with the Environmental Management Agency Act (20:27) (Atmospheric Pollution Control) Regulations, Statutory Instrument number 72 of 2009 which requires a quarterly boiler and generator emission test. We also use stakeholder feedback to gain insight into our emissions. Maintenance of equipment through the service of boilers, generators, discharging equipment and vehicles is done per schedule. National Foods has been granted permits from the Environmental Management Agency (EMA) to emit up to a green level emission licence, representing low environmental hazard.

The Group uses internal audits, regulatory inspections, timeous licensing, and stakeholder reports to evaluate the effectiveness of the management of emissions. Our goal is to achieve 100% compliance with environmental laws and zero emission fines. In addition, the Group endeavours to maintain its green emission license, avoid fines from EMA and minimise complaints from stakeholders.

We monitor our emission quality and the EMA classification criteria for the emission licences are categorised as follows:

- A **blue** licence in respect of a discharge which is considered to be environmentally safe.
- A **green** licence in respect of a discharge which is considered to present a low environmental hazard.
- A **yellow** licence in respect of a discharge which is considered to present a medium environmental hazard.

Responsible Production (Continued)

(d) A **red** licence in respect of a discharge which is considered to present a high environmental hazard.

For FY2025, our bands were as follows:

Emitting Units (Harare)

Emitting Unit	Classification
Boiler 1 Aspindale	Amber
Boiler 2 Aspindale	Green
Generators Aspindale	Amber

Emitting Units (Bulawayo)

Emitting Unit	Classification
Boiler 1 Bulawayo	Amber
Boiler 2 Bulawayo	Green
Generators Bulawayo	Amber

We are pleased to report that during the financial year; we had no fines from EMA nor complaints from communities in the vicinity of our production plants. For more than 7 years, we have been in the green band classification. However, the new Sulphur regulations by EMA have taken our boilers to the Amber classification. Coal from Hwange is high in Sulphur. We continue to improve production systems to reduce our emissions.



Sustainable Resource Use

Energy Efficiency

The Group's objective is to reduce the negative environmental impact through the efficient use of materials. By using energy from waste through incineration at the two cyclonic boilers, we have significantly reduced our reliance on coal.

Sustainable Resource Use (Continued)

Our future capital projects will improve our steam systems with particular focus on our Bulawayo Stockfeeds plant. Baseline data for energy efficiency is being collected along with relative operating parameters of the machinery to achieve the most energy efficient operations with the equipment currently in use. Achievable targets for energy efficiency were being developed. Improvements to our utility systems are being considered with the goal being to minimise unnecessary electricity usage for compressed air and pumping processes. New state of the art high efficiency equipment is being purchased for various new and existing product lines.

ENERGY CONSUMPTION

The Group aspires to align energy management to international standards and endeavours to ensure efficient energy utilisation and cost savings for the business.

Management Approach

The Group plans through the Group Engineer to:

- Minimise energy consumption by improving energy efficiency across all key areas of our operations.
- Invest in alternative clean energy supplies, energy conservation and efficiency initiatives.
- Raise energy management awareness among employees, suppliers and local community/ neighbours.
- Ensure goals align with climate change adaptation and resilience.

Group energy targets and Initiatives are:

- Implement energy usage reductions of 10% per tonne of product produced by 2026.
- Reduce our reliance on grid electricity by 35% by 2026 through phased installation of solar plants, starting with the Aspindale facility in 2025 and the Stirling Road facility in 2026.
- The plans to migrate to cleaner, more reliable energy sources and develop a solar plant capable of offsetting some of the energy requirements at the Aspindale site in Harare have progressed significantly in F2025 with the solar plant coming online in July 2025. The 2.70MW rooftop array project at Aspindale is currently producing an average of 10.3MWh per day, approximately 29% of the site's power usage. This is a \$2.569m spend with a payback of 3.11 years. National Foods is planning to roll out such installations progressively at all other sites.
- Improved collections for the cyclonic burner to reduce coal dependency.
- A biomass boiler was installed at the Pasta division in May 2025 as a substitute for the pre-existing electric boiler.

Energy Consumption within the Group: For Manufacturing Processes

Energy Source	Unit	2025	2024	2023	2022	2021
Electricity	MWh	40,808	33,692	31,941	54,150	31,765
Coal for boilers	Tonnes	1,867	1,337	1,004	954	344
Diesel for processes/ forklifts	Litres	362,111	349,219	544,419	164,981	372,717
Diesel to run generators	Litres	659,351	568,295	711,341	129,921	-
Total Diesel used	Litres	1,021,463	917,514	1,255,760	294,902	372,717

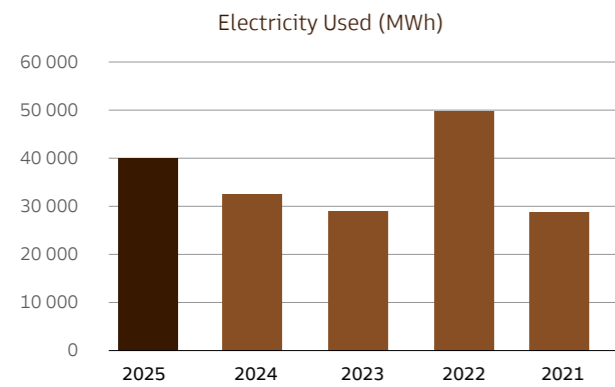
Energy Consumption outside the Group: For Transportation

Energy Source	Unit	2025	2024	2023	2022	2021
Diesel for owned fleet vehicles	Litres	147,113	337,809	100,663	-	-
Petrol for owned fleet vehicles	Litres	387,022	364,488	554,311	447,324	432,000
Total	Litres	534,135	702,297	654,974	447,324	432,000

Please note that diesel figures (owned fleet) were not yet separated from production figures before F2022

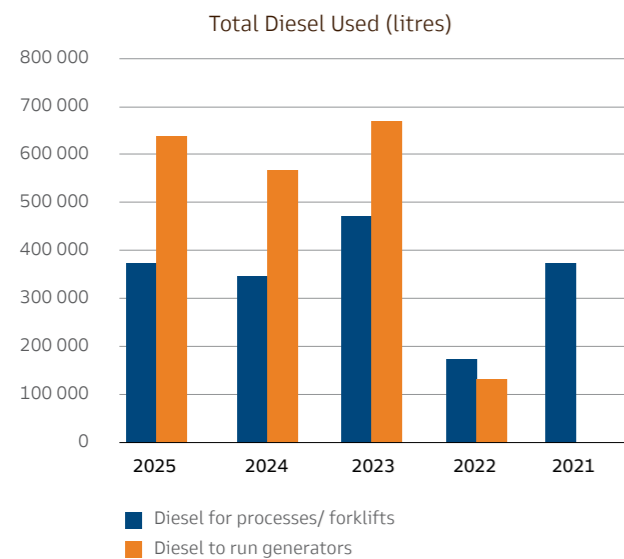
Energy Consumption (Continued)

Electricity Consumption within the Group



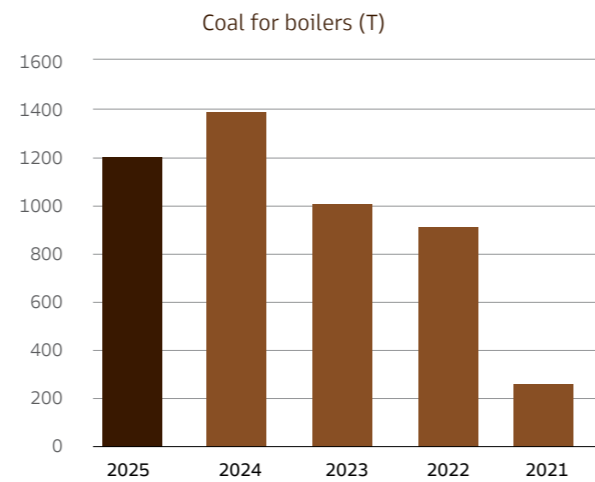
FY 2025 saw a 21% increase in electricity usage as a result of increased demand from the Biscuit and Pasta plants as well as improved availability of grid-supplied electricity compared to FY2024. This is also reflected in the increased diesel for generators figures in the graphs below.

Diesel Consumption within the Group



An increase (11%) in the amount of diesel used both for processing and to run generators was noted in FY2025. This was because of the coming on-line of the Biscuit and Pasta Plants whose demand increased the need for power. Running production whilst off-grid power propelled diesel usage up in 2025. The Group now has eight (8) electric forklifts which replaced the diesel-run ones, reducing the diesel demand.

Coal Consumption within the Group



There was a slight 7% decrease in coal usage in 2025 due to the availability of combustible material for cyclonic burners.



Energy Consumption (Continued)

Renewable Energy

The Group is mindful of the impact our processes have on the environment, in particular the amount of energy used. In line with this, National Foods is committed to assessing and implementing where practical the use of renewable energy over traditional energy sources.

The plans to migrate to cleaner energy sources and develop a solar plant capable of producing a minimum of 60% of energy requirements at the Aspindale site in Harare. A roof-top 2.65 MW solar array at the Aspindale site was commissioned in July 2025. National Foods is planning to roll out such installations progressively at all other sites.

WATER

National Foods consumes large quantities of water and mostly relies on boreholes. The business relies on water supplies for production, reticulation and boilers. However, improper management of water and effluent can lead to financial loss, production downtime and water shortages.

Consequently, unchecked effluent pollution can damage the environment and cause water-borne illnesses. The Group ensures all effluent are channelled through infrastructure approved by the Environmental Management Agency (EMA).

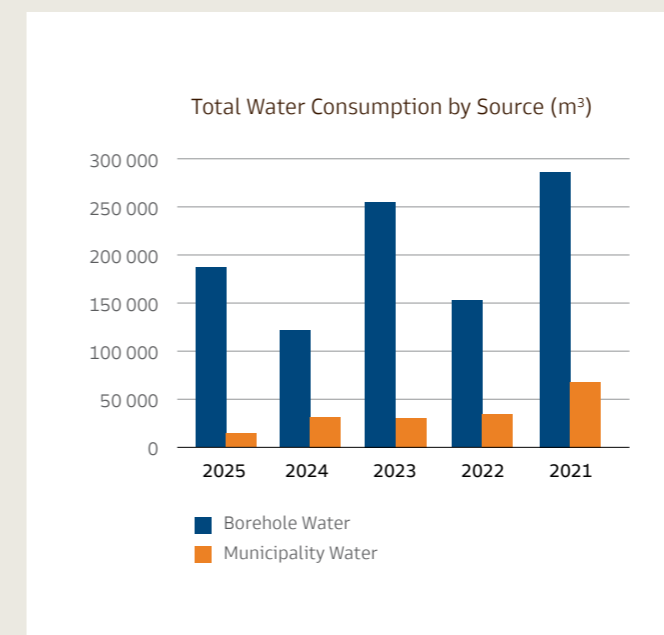
Management Approach

National Foods uses the Safety, Health and Environment (SHE) Policy to manage water use and effluent. The Policy emphasises the commitment required of Executives and Management in upholding the SHE Policy for managing water extraction, utilisation and disposal.

91% of water needs for NFL are from ground water supplies (boreholes) with 9% of coming from the Municipality. National Foods Limited's production predominantly involves dry processes, our operations focused on reducing the Group's general water use and consumption through the installation of water meters, allowing us to monitor our water use.

Our goal is to provide constant potable water and ensure the sustainable management of effluent. We target to achieve 100% water availability, 100% water quality and zero effluent fines. We are pleased to report that we achieved 100% availability of water with no fines from the municipality. The Group is cognisant that effective water and effluent management can create value for the business and reduce costs of non-compliance with national laws.

Water	Unit	2025	2024	2023	2022	2021
Municipality	Litres	15,846	30,426	30,182	35,718	73,621
Groundwater	Litres	171,151	123,056	247,345	168,158	281,706
Total	Litres	186,997	153,482	277,527	203,876	355,327





Environment And Climate Change

Climate-related risks are identified, managed and reported on through the established National Foods Ltd risk structures to ensure that it is fully integrated with our business oversight and management practices.

Environment And Climate Change (Continued)

National Foods Ltd recognises that its production processes have a significant impact on the environment and therefore monitor them to ensure they run efficiently, minimising any adverse impacts on the environment. Management is committed to being compliant to the Environmental Management Act of Zimbabwe (Chapter 20:27) and accompanying regulations as well as local City (Harare and Bulawayo) laws. We are also working towards the international standard ISO 14001:2015 Environmental Management System Standard (EMSS) to apply international best practice to environmental management.

CLIMATE CHANGE

The Group recognises the risk of climate change to our operations and is committed to enhancing our response to climate change mitigation and adaptation and to future proof our business. In addition, we are conscious of the climate impact associated with our fossil fuel consumption and are committed to run our processes and systems as efficiently as possible. The use of energy is a critical component of the Group's operations in the manufacture, packaging and distribution of our products. We largely depend on grid electricity, which is supported by diesel powered generators during power cuts. Efforts have been made to reduce NFL's carbon footprint by installing and commissioning a 2.7MW rooftop solar system at Aspindale Site.

For the transportation of raw materials to our operations and distribution of the final products to our customers, we rely on a fleet of vehicles run by National Foods Logistics. Our fuel consumption therefore extends beyond purely our production processes. The Group's management approach is guided by the United Nations Framework Convention on Climate Change (UNFCCC) along with national frameworks such as the National Climate Policy, Climate Response Strategy, and upcoming Climate Change Management Bill.

Examples of key risks and opportunities are presented below along with activities that the Group is already implementing.

Regulatory Risks and Opportunities:

- Stricter emissions regulations can impact the Group's reliance on coal-fired boilers. Non-compliance may lead to fines and penalties. The Group is investing in solar energy to minimise impacts, risk, optimise energy usage and reduce long-term energy expenses. This investment also

provides an opportunity for alternative energy sources and reduced reliance on grid electricity.

Physical Risks:

- Extreme weather events such as floods and storms can disrupt operations and damage infrastructure resulting in financial losses. The Group continues to consider innovations related to climate adaptation such as resilient infrastructure and climate-smart agriculture.
- Climate impacts on supply chain can cause disruptions such as crop failures and sourcing of materials thereby significantly impacting on operations. The Group continues to assess and enhance supply chain resilience.
- Infrastructure vulnerability relating to critical facilities such as our warehouses and data centres face risks from extreme weather with significant cost implications. The Group is retrofitting critical facilities to minimise risk and the relocation of facilities is regularly assessed.
- The Group is committed to implementing appropriate climate-related innovations and opportunities thereby enhancing sustainable development practices.



Environment And Climate Change (Continued)

CARBON FOOTPRINT

The Group recognises that our operations contribute in some way to climate change. Our goal is to report our carbon footprint across the value chain of all our businesses.

We continue to use the Department for Environment, Food and Rural Affairs (DEFRA) United Kingdom's Government GHG (Greenhouse Gases) conversion factors for measuring our carbon footprint. The information is presented as tonnes of carbon dioxide equivalent (tonnesCO₂e), which is a measurement unit for global warming potential (GWP) of GHGs, expressed in terms of the GWP of one unit of carbon dioxide (CO₂). The GWPs used in the calculations of CO₂e are based on the Intergovernmental Panel on Climate Change (IPCC) Fourth Assessment Report (AR4) over a 100-year period. Electricity carbon footprint factors are taken from those developed using IPCC factors based on the Zimbabwean electrical grid parameters, including both renewable and non-renewable sources as found on: https://www.carbonfootprint.com/international_electricity_factors.html.

When reporting on GHGs, there are three scopes of emission which are to be included in the calculations:

Scope 1	Calculations including emissions from direct fuel use]
Scope 2	Calculations including emissions from indirect sources – electricity
Scope 3	Calculations including indirect emissions not included in Scope 2, e.g. business travel, shipment of goods.

The Group's carbon footprint is presented below, calculated for **Scope 1 and 2**.

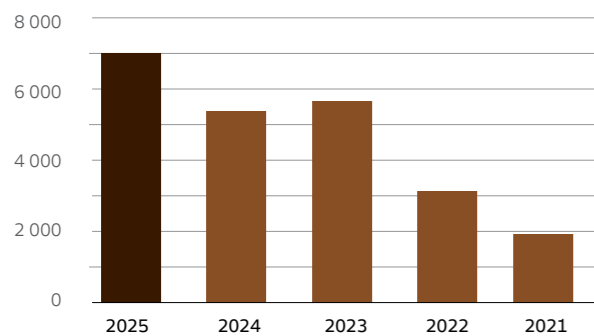
Scope 1: Direct Emissions

Scope 1 relates to direct emissions arising from business activities within our control and ownership including fuel for our own fleet of vehicles. DEFRA Greenhouse gas reporting: conversion factors 2024 are used for these calculations. The historical data has also been recalculated using the DEFRA 2024 factors to allow the annual data to be comparable with the 2024 data.

Scope 1: Direct Emissions

Emissions sources	Unit	2025	2024	2023	2022	2021
Fuel: Diesel (for ovens, generators and own fleet) and Coal	tonnesCO ₂ e	7,190.68	5,649.86	5,773.85	3,593.09	1,815.58

Scope 1 (diesel and Coal): Group Total CO₂e per year



2025 represents an Increase of 27 % in the Group's Scope 1 carbon footprint. This is owing to an increase in the electricity usage with the onboarding of Pasta and Biscuits plants



Environment And Climate Change (Continued)

Scope 2: Indirect Emissions

Scope 2 relates to the emissions arising from the use of energy generated by a third party or sources over which a company has no control such as electricity. The historical data below is calculated based on www.carbonfootprint.com/international_electricity_factors.html IPCC calculation value of 0.396065919 kgCO₂e/kWh for Zimbabwe.

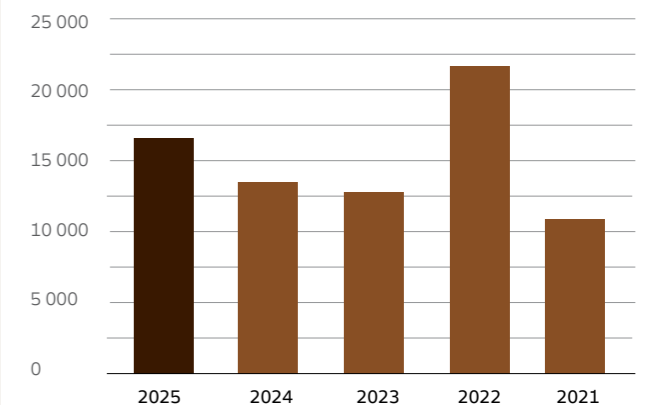
Scope 2: Indirect Emissions

Emissions sources	Unit	2025	2024	2023	2022	2021
Electricity	tonnesCO ₂ e	14,690.81	13,344.24	12,650.64	21,446.80	12,581.11

The Group's Scope 2 carbon footprint in 2025 stayed high with the onboarding of Pasta and Biscuits plant and the welcome more consistent power from the grid. A 5% increase in the Group's Scope 2 footprint in 2024 was due to slightly improved availability of grid supplied electricity.



Scope 2 (Grid Electricity): Group Total tonnes CO₂e per year





Our People

Our strength and success as a business lies in our employees. We strive to be an employer of choice and an equal opportunity employer. We pride ourselves in having a highly engaged and energised team that positively contributes to the goals of the organisation.

Our People (Continued)

At the core of our business is an enduring commitment to provide a conducive work environment that inspires productivity. We thrive in a diverse workforce where discrimination is not tolerated, and ensure that there are team synergies across functions, mentorship and coaching and common values for our corporate culture. Our value proposition for our people is built on the following core pillars:

1. **Growth and Development:** We invest in our people's growth, providing opportunities for learning, development, and career advancement.
2. **Well-being and Support:** We prioritise our people's well-being, offering comprehensive benefits and a supportive work environment.
3. **Competitive Rewards:** We offer competitive salaries, bonuses, and benefits to recognize and reward hard work and contributions.
4. **Supportive Work Environment:** We foster a culture of collaboration, well-being, and work-life balance, ensuring our teams have the resources and support to thrive.

HUMAN CAPITAL MANAGEMENT

Management Approach

We are guided by the National Foods Limited Code of Conduct, Labour Act [28:01], Collective Bargaining Agreements (CBA) and the National Social Security Authority (NSSA) Act [17:01] in employee relations and related impacts. The Group has policies that include the Recruitment Policy and the Remuneration Policy, which are part of the broad Human Resources Policy. These policies are regularly reviewed to align with the provisions of the Labour Act [28:01] and best practices. Our goal is to maintain highly motivated employees, high return on human capital investment and high staff retention. We target achieving less than 5% attrition. The Group strongly believes in rewarding performance and results that contribute to business growth, performance and employee satisfaction.

We encourage Labour relations management by conducting the following:

- Quarterly Works Council meetings
- Quarterly Group CEO engagements
- Management Executive engagements
- Wage negotiations between employers (millers) and trade union facilitated by the National Employment Council
- Values and culture cascades
- Training of employee reps on Industrial Relations

The Group provides various forms of employee engagement platforms aimed at ensuring a harmonious industrial climate exists.

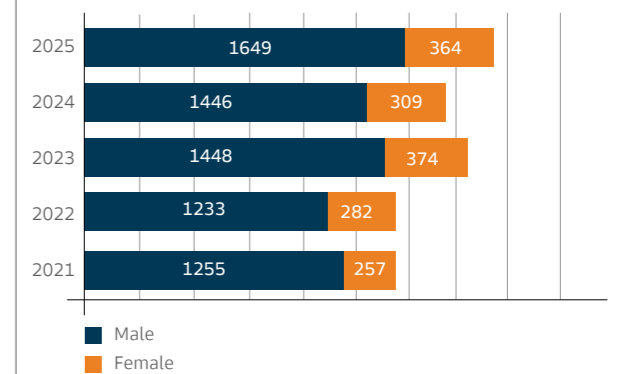
LABOUR RELATIONS

Labour relations cover interactions between employees, as represented by their labour unions and management. National Foods benefits from good labour relations because this allows alignment of corporate objectives and effective resolution. The Group involves employees in matters that affects them and the business. It is the Group's practice to allow employees to join trade unions and national employment councils of choice covering our sector. Our full-time permanent employees are covered by collective bargaining with 41% being members of the National Employment Council (NEC) while 31% have trade union memberships.

Employment Base

As at 30 June 2025, we provided employment opportunities to 2,013 employees as full-time employees and temporary staff. Although a significant portion of our staff are male, we deliberately consider recruiting women wherever possible based on merit. 34% of the women employed in 2025 were at executive and management level, an increase of 8% compared to 2024.

Total Number of Employees by Gender



Our People (Continued)

As at 30 June 2025, our employment performance is presented as follows:

Employee Base

Gender	Unit	2025	2024	2023	2022	2021
Male	Count	1 649	1 446	1 448	1 233	1 255
Female	Count	364	309	314	282	257
Total	Counts	2 013	1 755	1 762	1 515	1 512

Permanent Staff

Gender	Unit	2025	2024	2023	2022	2021
Male	Count	513	470	479	512	496
Female	Count	128	109	116	117	116
Total	Counts	641	579	595	629	612

New Recruitments of Permanent Staff

Gender	Unit	2025	2024	2023	2022	2021
Male	Count	60	19	22	48	31
Female	Count	20	11	10	11	5
Total	Counts	82	30	32	59	36

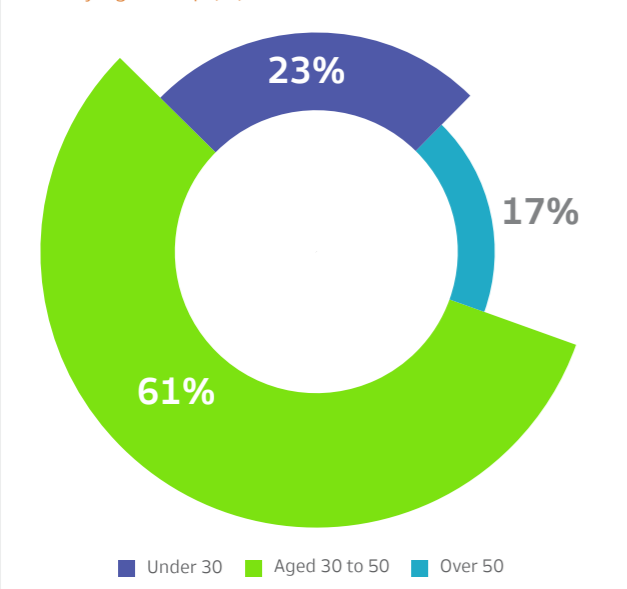
Permanent Staff Turnover

Gender	Unit	2025	2024	2023	2022	2021
Male	Count	31	34	51	37	48
Female	Count	10	12	15	5	8
Total	Counts	41	46	66	42	56

Employees by Contract Type

	Unit	2025	2024	2023	2022	2021
Full Time Employees	Count	641	579	595	629	612
Outsourced Labour (Variable)	Count	1 372	1 176	1 167	886	901
Total	Counts	2 013	1 755	1 762	1 515	1 513

Staff by Age Group (%)



Our People (Continued)

LONG SERVICE AWARDS

Long service awards are the clearest demonstration that we value and invest in long-term commitment and expertise. By visibly celebrating staff tenure, we actively reinforce the strength of the valued relationship between National Foods and its employees.

Driving Business Success

The continued service we honor validates our investments in talent development and retention. The collective wisdom and institutional knowledge held by our long-serving staff are irreplaceable assets that ensure stability and drive our long-term business success. They send a powerful message across the organization: loyalty and experience are not just rewarded—they are essential to who we are. In 2025, 110 members of staff were recognised for serving National Foods for 10 years or more

No of Years served	Men	Women	Total
10 years	29	3	32
15 years	34	8	42
20 years	4	4	8
25 years	6	3	9
30 years	15	2	17
35 years	0	0	0
40 years	0	0	0
45 years	0	2	2
TOTAL	88	22	110

	2025	2024	2023	2022	2021
No of Employees	No of Employees	No of Employees	No of Employees	No of Employees	No of Employees
15 years	42	41	19	4	7
20 years	8	9	16	9	13
25 years	9	8	13	14	13
30 years	17	10	7	3	6
35 years	0	6	7	8	2
40 years	0	0	0	2	1
45 years	2	1	0	0	0
Total Number	78	75	62	40	42



Our People (Continued)

OCCUPATIONAL HEALTH & SAFETY

Ensuring a safe workplace exceeds our legal responsibilities and is reinforced by the recognition that prioritizing our employees' safety is vital to our success. Occupational Health & Safety (OHS) policies and procedures benefit the Group by enhancing employee wellness, which in turn increases productivity and helps prevent injuries, fatalities, damage to our reputation, and interruptions to our operations.

Management Approach

The Group continues to strive to achieve zero injuries in operations by fostering a safe and healthy occupational environment.

The business has an active and auditable Occupational, Environmental, Health and Safety Policy and Programs which guide all operations. During 2025, the group recorded six lost time injuries which resulted in 63 days off work.

Hazard Identification and Risk Assessments (HIRA)

Hazard Identification and Risk Assessments are conducted for each task carried out in the business. The Group keeps a hazard

register for each business unit and issues safe working permits for every task after a comprehensive Task Hazard Analysis. The Group applies the hierarchy of controls to eliminate any hazards. There are various platforms for employees to report work related hazards and these include suggestion boxes, job cards, WhatsApp groups, training and direct lines to NSSA. All employees are guided by the Group's Grievance Procedures and there are no reprisals. Employees are informed as early as the OHS induction that they do have a right to refuse or stop any work deemed unsafe.

Investigation of workplace accidents is governed by the Factories and Works Act [14:08] which is enforced by NSSA.

Employees Involvement in Occupational Health and Safety (OHS) Management

Employee involvement is the cornerstone of occupational health and safety management. Employees are involved in the formulation of OHS Policies. Employees receive a minimum of 30 minutes of OHS training every month based on a scheduled training calendar. Depending on operational developments, ad hoc trainings are facilitated to ensure employees are empowered for better decision making on OHS matters. Employees have access to various medical facilities of their choice. National Foods has on-site clinics in Harare and Bulawayo which are under the cover of a visiting Occupational Health doctor. All employees and their families have access to the Providence Health Clinic where healthcare services are provided. A total of 115 hours of in-person safety training were delivered to 2013 employees based in Harare and Bulawayo.

Number of work-related Injuries

	Unit	2025	2024	2023	2022	2021
Work related injuries	Counts	6	4	1	12	7
No of lost days as result of injuries (LTI)	Days	63	94	52	198	278
Work related fatalities	Counts	0	0	0	0	0

The Group continues to take measures to minimise injuries sustained in the working environment by providing training sessions on relevant Standard Operating Procedures (SOPs). The overall responsibility for Safety and Health Management rests with the CEO and is delegated through the Group Engineer.

Every role within the Group has Safety, Health & Environment (SHE) responsibilities which are linked to performance assessments through Group SHE performance scorecards and Individual Performance Assessments (IPAs).

Our People (Continued)

Occupational Health & Safety (Continued)

Employees Wellness

The Group recognises that a healthy workplace promotes productivity. The Occupational Health (OH) team applies a holistic approach that covers employee wellness for adapting and sustaining behaviours and lifestyles that reduce occupational health risks.

The Occupational Health (OH) Team implements wellness programmes and plans for the Group on physical, emotional, psychological and mental wellbeing of employees. The Group provides:

- In-house clinic services to deal with injuries on duty, ailments, HIV & Aids Awareness and provision of Anti-Retro Viral drugs (ARVs), first aid training, among others.
- Ergonomic training is done to ensure staff have the skills and competencies to handle their tasks with limited or no ergonomic risks. Safety, Health & Environment and Quality reports are generated quarterly and presented to the Board.
- As part of employee wellness, staff are provided with meals on site as well as monthly food hampers for nutrition.

The Group operates two on site clinics in conjunction with Providence Health & Wellness, the wellness section of Providence Human Capital – one in Harare and one in Bulawayo. A total of 4 475 visits were recorded at the two clinics during 2024, highlighting the importance of these two facilities. After a significant drop in numbers due to the COVID-19 pandemic, 2024 saw the numbers return to the pre-pandemic times.



Clinic Visits to the National Foods Onsite Clinics

	Clinic	2025	2024	2023	2022	2021
National Foods Employees	Counts	4,926	4,475	3,538	1,780	4,808
Natlog Employees	Counts	315	291	238	196	269

Our People (Continued)

DIVERSITY AND INCLUSION

At National Foods, Diversity and Inclusion (D&I) is a strategic imperative, not just a policy initiative. We recognize that fostering a truly diverse and inclusive culture is fundamental to maintaining a competitive edge and driving superior business performance. D&I enriches our collective intelligence, bringing a broad spectrum of perspectives, experiences, and innovative solutions to effectively navigate complex business challenges and meet the evolving needs of our markets. Furthermore, an inclusive environment where every employee feels valued and a sense of belonging directly translates into higher engagement, increased productivity, and a sustained commitment to delivering high-quality, intelligent work.

1. **Strategic Rationale:** D&I is critical for maintaining a competitive edge, solving complex business challenges, and increasing employee engagement and productivity.
2. **Robust Governance & Approach:** D&I is enforced through the Recruitment Policy (ensuring merit-based, inclusive hiring) and the Code of Conduct (setting ethical standards).
3. **Data-Driven Accountability:** Performance is actively measured. We also use gender and age analysis and pulse surveys to assess cultural health.



Our People (Continued)

TALENT DEVELOPMENT

At National Foods, we view Talent Development not merely as an expenditure, but as a crucial strategic investment in our future operational efficiency and sustained competitive advantage. Our commitment to continuous learning is foundational to futureproofing our operations, driving tangible productivity gains, enhancing leadership capabilities, and ensuring a robust internal talent pipeline for critical roles.

Management Approach

Our approach to skills enhancement is rigorously governed by the **Performance and Training Policy**, centrally managed by the Human Resources Department. This framework ensures that skills development is systematically aligned with both individual career aspirations and critical, long-term business needs, particularly **succession planning and skills retention**.

We hold ourselves accountable to ambitious targets, notably achieving **100% completion** of all defined employee training plans, a key metric of our operational commitment. The effectiveness of this investment is measured through tangible outcomes, enhanced productivity, achievement of operational targets, and demonstrated business excellence and innovation.

Training Programmes

To cultivate deep expertise across critical technical, managerial, and professional domains, the Group sponsors a targeted portfolio of high-impact training programmes. These are designed to build essential capabilities at every level of the organization.

Miller Training

Miller Training is a non-negotiable component of maintaining the world-class quality and efficiency of our core milling operations. We execute this highly specialized training through a combination of accredited in-house programs, run in partnership with the South Africa Grain Millers Association (SAGMA), and strategic international institutional collaborations. Our partnerships extend to the Africa Milling School (Buhler) in Kenya and, for our highest-potential staff, the prestigious Swiss Milling School. This dual approach ensures we maintain internationally competitive technical expertise.

Professional Development

Our comprehensive Professional Development pathways focus on cultivating leadership and specialized functional rigor, particularly for our experienced and mid-career professionals. We champion personalized development planning and continuous professional certification.

A cornerstone of this effort is the Training Outside Public Practice (TOPP) program, which is accredited by the Institute of Chartered Accountants of Zimbabwe (ICAZ). TOPP provides a vital, accelerated, in-house financial management route for aspiring Chartered Accountants (CAs), ensuring we build a financially rigorous leadership bench. Demonstrating our commitment to gender parity and financial stewardship, 26 employees (13 men and 13 women) enrolled in the highly competitive TOPP program in 2025.

Skills Base

The professional standing of our workforce is a key indicator of our operational quality and governance standards. Our staff maintain active membership across a wide array of recognized professional bodies, which ensures adherence to the highest standards of ethics, practice, and continuous professional learning:

- Institute of Chartered Accountants of Zimbabwe (ICAZ)
- Association of Chartered Certified Accountants (ACCA)
- Chartered Institute of Management Accountants (CIMA)
- Chartered Institute of Marketers (CIM)
- Zimbabwe Institute of Engineers (ZIE)
- Health Professions Association of Zimbabwe (HPAZ)
- Institute of Chartered Secretaries and Administrators of Zimbabwe (ICSAZ)



Our People (Continued)

HUMAN RIGHTS

Commitment to Human Rights

National Foods believes that responsible business begins with an unwavering commitment to human rights. Our management approach is fundamental to ensuring ethical and sustainable operations, focusing on respecting the dignity, well-being, and rights of everyone connected to our business: our employees, customers, suppliers, service providers, and the communities in which we operate.

We are dedicated to meeting the expectations of all our stakeholders and upholding universal human rights standards.

Our Framework and Compliance

National Foods consciously accepts and adopts the United Nations Guiding Principles (UNGPs) on Business and Human Rights. This key international instrument guides our operations, fostering respect and protection for all human rights throughout our value chain.

Furthermore, the Group maintains strict compliance with all applicable human rights legislation, standards, and instruments, including those defined within the Constitution of Zimbabwe and other relevant national and international frameworks. Through our various corporate policies, including the Human Resources Policy, we formalize our commitment to actively prevent, mitigate, and remedy any corporate human rights abuses.

Core Rights We Champion

National Foods is committed to making tangible, positive contributions toward the promotion and realization of a comprehensive set of rights for our staff and all stakeholders. These rights include, but are not limited to:

- **Fair Labour Practices:** Promoting labour rights and desisting from child labour and all forms of forced employment.
- **Health and Safety:** Upholding the right to a clean, safe, and healthy work environment, encompassing comprehensive health and safety rights.
- **Dignity and Equality:** Protecting the right to human dignity and ensuring freedom from inequality and discrimination.
- **Fundamental Needs:** Supporting the rights to health,

food, safe, clean, and potable water, and a safe, non-harmful environment.

- **Personal Rights:** Respecting the right to privacy and the right to education.
- **Environmental Stewardship:** Recognising and upholding critical environmental rights.

Accountability and Action

Grievance and Redress Mechanisms

Accountability is central to our human rights management. We maintain a robust grievance and redress mechanism to identify and address stakeholder issues, concerns, and potential environmental and social impacts. These matters are managed collaboratively across relevant management departments to ensure timely and effective resolution.

EMPLOYEES' PENSION

The Group contributes to various pension funds managed internally and externally. 94% of our full-time employees are on the National Foods Pension Fund. For 2024, contributions were as follows:

	2025 USD	2024 USD	2023 USD	2022 USD
National Foods Pension	210,241	222,552	225 927	256 093
National Foods Security	261,444	160,814	137 191	235 792
Group Life Cover	39,161	31,592	28 349	69 746
TOTAL	510,846	414,958	391 467	561 631

The significant increase in the security cost is due to the new monthly insurable earnings ceiling for NSSA contributions, set at USD 700 effective June 1, 2024. Both the employer and employee each contribute 4.5% of this maximum amount, bringing the total to 9%. Contributions for the prior year were based on basic salaries only, while the current year's cost is inclusive of both basic and COLA earnings.



Community Investment And Development

BUILDING A SHARED FUTURE

NFL's Commitment to Community and Sustainability

At NFL, our corporate purpose is about more than business performance—it's about strengthening the communities that sustain us. Our Corporate Social Responsibility (CSR) initiatives are a strategic investment in the social and emotional capital of Zimbabwe, weaving a stronger social fabric through programs that foster resilience, empower youth, and safeguard our natural heritage.

Community Investment And Development (Continued)

FOUNDATIONAL SUPPORT:

A Commitment to Dignity

This past year, our foundational support served as a lifeline for vulnerable communities across the nation. With a total expenditure of **US\$506,000**, our efforts provided consistent support to **49 centers** in all 10 provinces.

- **Support to vulnerable Institutions:** including orphanages, children's homes, and care centers for the elderly and those with special needs—received crucial monthly food hampers. This consistent provision is a commitment to dignity and well-being, providing a stable foundation for those most in need.
- **Animal Welfare:** Our compassion extends to the wider ecosystem with ongoing animal welfare support through feed donations to six centers, including the ZNSPCA and Bally Vaughan Game Park, reinforcing our commitment to the holistic health of our environment.



EMPOWERING THE NEXT GENERATION

Empowering youth is at the heart of our strategy for a vibrant future. Through a partnership with the Community Foundation for the Western Region of Zimbabwe, we launched a **Socio-Economic Skills Development** program.

This initiative has been instrumental in creating sustainable income streams for youth in Matabeleland districts, equipping **750 young people** with vocational training in poultry and piggery farming. By providing a pathway to **economic independence**, we are actively combatting social issues like drug and substance abuse by fostering purpose and productivity in the next generation.



Community Investment And Development (Continued)

STEWARDS OF A SUSTAINABLE FUTURE

Our commitment to sustainability is perhaps best exemplified in Victoria Falls, a jewel of Zimbabwe's natural heritage. In partnership with the Pristine Vic Falls Society, we are nurturing the next generation of environmental leaders:

- **Pristine Junior Eco-Warriors:** We proudly sponsor 20 students through a comprehensive scholarship scheme that covers their full school fees. These 11 girls and 9 boys from seven different schools are the future stewards of our environment.
- **Conservation Initiatives:** We also provide vital logistical support, including fuel and cleaning materials, to local clean-up initiatives. This support is essential for preserving the natural beauty of this iconic destination and safeguarding its delicate ecosystems for generations to come.



IMPACT AND LOOKING FORWARD

The past year has been defined by impactful action and unwavering dedication. Our programs are designed for **lasting change**—from providing food security and economic skills to nurturing environmental leadership. We are confident that our strategic investments have created tangible, positive change, and we look forward to continuing this journey of shared growth with all our stakeholders.



Community Investment And Development (Continued)

ECONOMIC VALUE GENERATED AND DISTRIBUTED

	2025 USD	2024 USD	2023 USD	2022 USD	2021 USD
Economic Value Generation					
Value Generated*	91 399 933	81 639 242	72 071 589	72 712 402	60 366 131
Other income and interest	1 705 939	1 483 096	925 085	809 093	469 365
Equity Accounted Earnings	10 704	339 223	328 373	1 021 946	423 393
Economic Value Distribution					
Other operating costs	(51 073 829)	(40 862 781)	(33 874 652)	(28 974 703)	(28 807 340)
Staff costs and benefits	(20 117 129)	(16 740 002)	(15 237 276)	(16 393 969)	(14 108 818)
Impairment and related charges	-	(76 358)	(54 603)	-	-
Depreciation and Amortisation	(6 026 130)	(4 990 732)	(4 121 541)	(3 335 688)	(3 099 723)
Providers of capital	(4 907 961)	(3 125 885)	(6 386 801)	(5 735 018)	(1 082 279)
Provision of taxes	(2 144 182)	(2 578 712)	(3 885 758)	(4 474 168)	(1 459 146)
Value Added	8 847 345	15 087 090	9 764 416	15 629 895	12 701 582

Payment Of Taxes

TAX MANAGEMENT

Our approach to tax

National Foods Limited has been a consistent taxpayer over the years, with no history of deliberate tax evasion. Our business performance determines the extent of tax payments to the Government through Corporate Tax, Value Added Tax, Capital Gains and other tax heads. Our aim is to demonstrate accountability and integrity in managing our tax affairs and to foster trust and confidence among our stakeholders. We benchmark our operational practices with tax legislation as they change from time to time. We attend tax seminars to better understand changes in legislation and set deadlines for compliance with the changes.

Tax Strategy and Stakeholder Engagement

Our tax strategy primarily focuses on ensuring full compliance with all applicable tax laws and regulations, avoiding tax penalties, and submitting all returns within the stipulated deadlines set by the Zimbabwe Revenue Authority (ZIMRA). National Foods maintains regular engagement with ZIMRA Client Relationship Managers to confirm that all tax affairs remain in good standing. Internally, periodic assessments

are conducted to validate the accuracy, completeness, and timeliness of all tax returns.

Our Tax Commitments

We remain committed to aligning our operational tax practices with evolving tax legislation. To ensure continuous compliance, we actively participate in tax seminars and training sessions to stay abreast of legislative changes and establish clear internal deadlines for their implementation. Engagement with key stakeholders has been instrumental in guiding our approach when addressing tax matters with ZIMRA. This proactive and consultative approach has consistently enabled National Foods to adopt practical and sustainable solutions to tax issues.

Tax Payments

The Group makes a significant financial contribution to the national economy through the payment of taxes. The Group's total payments to the Zimbabwean Government for 2025 amounted to **USD 21 387 495**

Key contributions to the fiscal revenue in 2025 were through the payment of Income Tax (10%), Import Duty (36%) Intermediate Money Transfer Tax (IMTT) (10%), Value Added Tax (VAT) (21%) and Other Taxes (23%).

	2025 USD	2024 USD	2023 USD	2022 USD	2021 USD
Corporate Tax	2,144,257	2,578,712	3,885,758	4,474,168	1,549,146
Intermediate Money Transfer Tax (IMTT)	2,110,116	1,499,494	2,915,453	2,359,308	1,633,282
Value Added Tax (VAT)	4,452,685	995,237	198,105	206,797	92,411
Disallowed VAT on Exempt Supplies	4,082,741	1,829,987	-	-	-
Import Duty	2,465,493	2,168,695	1,862,131	1,286,725	811,182
PAYE	2,995,364	2,245,246	2,837,991	1,372,356	1,646,828
Other Taxes	164,799	123,529	156,140	75,504	90,605
Total	18,415,453	11,440,899	11,855,579	9,774,859	5,823,454



National Foods Celebrates the Commissioning of New Production Facilities

The President Arrived at a resounding Welcome

In a momentous occasion for the food industry, National Foods, alongside its stakeholders, welcomed The President of The Republic of Zimbabwe and The Commander of The Defence Forces, His Excellency, Cde Dr E.D Mnangagwa, along with a distinguished government delegation to commemorate the commissioning of its new Pasta, Biscuit, and Cereal plants. This significant investment represented a bold step toward enhancing the company's offerings and advancing up the value chain in food production.

Firstly, the newly established facilities, which embodied a combined investment of \$22.7 million, formed part of a larger \$50 million capital investment strategy implemented over the past five years. These developments not only underscored National Foods' commitment to innovation but also bolstered local agriculture by increasing the market for locally grown maize, wheat, and soya beans.



World Class Pasta Plant



The President Officially Unveiling the Pasta and Biscuits Plants flanked by (Left): Hon. Minister N.M Ndhlovu and Hon. Deputy Minister Raj Modi, (Right): Edwin Manikai (Board Chairman), Mike Lashbrook (Group CEO) and Marjorie Mutemererwa (Public Relations)

New Production Facilities (Continued)



Hon. N.M. Ndhlovu: Minister of Industry and Commerce Delivering His Speech at the Official Opening

Secondly, the growth of local grain production emerged as a promising trend, positioning Zimbabwe on the path to becoming a net exporter of cereals. National Foods acknowledged the vital role played by local farmers, purchasing between 80,000 and 100,000 tons of grain annually through the PHI/Agrowth contract farming scheme.



Mike Lashbrook (CEO), Chipo Nheta (Corporate Executive), Marjorie Mutemererwa (Public Relations), Maimba Mapuranga (Master of Ceremonies), Mrs Makombe (Chief Director Industry)



Anthony Bruins (Managing Executive - Biscuits) leading The President and delegates to the Biscuits Plant.

The third factor involved robust local consumer demand, anticipated to grow further. National Foods aimed to provide quality, affordable, and nutritious foods, exemplified by its 400-gram pasta packets, which were priced at just 50 cents, offering a nutritious meal for a family of four at minimal cost.



William Kapfupi (Managing Executive- Cereals) and Edwin Manikai (Board Chairman) showing His Excellency, Cde Dr E.D Mnangagwa Nutri Active Smart Carbs Cereals (Baobab).

Lastly, the introduction of new product lines sought to replace previously imported goods, conserving foreign currency and promoting self-sufficiency in food production. Given Zimbabwe's agricultural strengths, local production of staple items such as corn flakes and pasta made economic sense.



His Excellency, Cde Dr E.D Mnangagwa

As National Foods embarked on this exciting chapter, the company remained committed to offering a wider range of nutritious meal options at affordable prices. The acceptance of these products by local and regional consumers paved the way for future expansion.



The President Officially Unveiling the Pasta and Biscuits Plants flanked by senior Government officials, the NFL Board Chairman (Mr. Manikai) and the National Foods leadership team.

In conclusion, National Foods extended its heartfelt gratitude to His Excellency for gracing the event and commissioning the new plants. The company reaffirmed its dedication to serving customers and consumers throughout Zimbabwe.

Statement of Directors' Responsibility

The Directors of National Foods Holdings Limited, its associate and subsidiaries (the Group) are required by the Zimbabwe Companies and Other Business Entities Act (Chapter 24:31) to maintain adequate accounting records and to prepare financial statements that present a true and fair view of the state of affairs of the Group at the end of each financial year and of the financial performance and cash flows for the year. The Group financial statements have been prepared in accordance with the measurement and recognition principles of IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB) and in the manner required by the Companies and Other Business Entities Act (Chapter 24:31).

The financial statements have been prepared under the historical cost convention except for property, plant and equipment, treasury bills and investment property which are measured at fair value. The financial statements are in agreement with the underlying books and records and have been properly prepared in accordance with the material accounting policies set out in Note 2 of the Consolidated Financial Statements.

The material accounting policies applied in the preparation of the Group's financial statements are consistent with those applied in the previous year's financial statements.

The Directors have satisfied themselves that the Group is in a sound financial position and has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they are satisfied that it is appropriate to adopt the going concern basis in preparing the financial statements.

The Board recognises and acknowledges its responsibility for the Group's systems of internal financial control. The Group maintains internal controls and systems that are designed to safeguard the assets of the Group, prevent and detect errors and fraud and ensure the completeness and accuracy of the Group's records. The Group's Audit and Risk Committee has met the external auditors to discuss their reports and the results of their work, which includes assessments of the relative strengths and weaknesses of key control areas. Due to the continuous growth of the business, increasing complexity of transactions and growing diversity in stakeholders across the value chain, occasional breakdown in established control procedures is anticipated and monitored. Such breakdowns and potential weaknesses have been reported to the Group's Audit Committee and the Board.

The financial statements for the year ended 30 June 2025, which appear on [pages 80 to 122](#) have been approved by the Board of Directors and are signed on its behalf by:



E.I. Manikai
Chairman

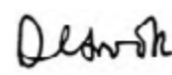
Harare
24 September 2025

The financial statements have been prepared under the supervision of Mr Lovejoy Nyandoro CA(Z).



L. Nyandoro
Group Finance Director

24 September 2025



M. Lashbrook
Chief Executive Officer

Report of the Directors

The Directors have pleasure in presenting their report, together with the audited financial statements for the year ended 30 June 2025.

GROUP FINANCIAL RESULTS

	2025 US\$	2024 US\$
Profit before tax	12,534,447	19,063,802
Tax expense	(3,514,128)	(5,307,616)
Profit for the year	9,020,319	13,756,186
Other comprehensive income	—	—
Total comprehensive income for the year	9,020,319	13,756,186

Share Capital

During the year, the authorized share capital remained at 73,000,000 ordinary shares of US\$0.01 each. No new shares were issued during the year (2024: Nil). However, there was a share buyback of 5,428,912 shares (2024: 164 116 shares) at US\$1.71 per share (2024: US\$1.30 per share), and the number of shares in issue was 62,807,100 (2024: 68,235,992).

Victoria Falls Securities Exchange (VFEX) Delisting

In the current year, the entity voluntarily delisted from the Victoria Falls Securities Exchange (VFEX). The Board believes that delisting will grant National Foods increased operational flexibility, enabling the Group to streamline its operations and concentrate on long-term strategic goals without the constraints and pressures of public market requirements. The delisting was effective from 31 January 2025.

National Foods Worker's Trust

National Foods Workers Trust (Private) Limited was established to provide a scheme for worker participation in both the equity and profits of the company. Through donations by the Company to the Trust, the Trust acquired a 9.53% shareholding in National Foods Holdings Limited. Dividends received through its shareholding are administered by a board of nine Trustees for the benefit of workers under grades "A", "B" and "C" of the Milling and Commercial Industries and grades 1-6 of the Textile Industry, being the National Employment Council for which the wide categories of employees fall.

Borrowing Powers

In terms of the Articles of Association, the borrowing powers of the Company and its subsidiaries (excluding inter-company borrowings) are limited in aggregate to the nominal amount of the share capital of the Company plus the total free reserves of the Company and its subsidiaries. The level of borrowings throughout the year was adequately covered in this respect. The Directors may exercise all the power of the Company to borrow money, and to mortgage or charge its undertaking, property and uncalled capital, or any part thereof, and to issue debentures, debenture stock and other securities, whether outright or as security for any debt, liability or obligation of the Company or of any third party.

Reserves

Movements in reserves are shown in the statement of changes in equity.

Report of the Directors (continued)

Dividends

The Board is pleased to declare a final dividend of US\$2.95 cents per share (2024: US\$3.29 cents per share) in respect of all ordinary shares of the Company bringing the total dividend to US\$7.18 cents per share (2024: US\$6.71 cents per share). This dividend is in respect of the financial year ended 30th of June 2025 and will be payable to all shareholders of the Company registered in the second quarter of the 2026 financial year.

Directorate

There have been no changes to the directorate in the current year.

Auditors

Members will be asked to approve the remuneration of Axcentium for the past audit which is detailed below and to confirm the appointment of Messrs Axcentium as the auditors of the Group until the conclusion of the next Annual General Meeting.

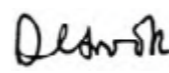
	2025	2024
Auditor's remuneration for the year ended 30 June 2025		
Axcentium		
Financial statements audit fees	169 200	185 000
Non-assurance fees	15 093	71 381
Total fees	184 293	256 381

Annual General Meeting

The fifty-sixth Annual General Meeting of the Company will be held on 18 November 2025 at National Foods Limited, 10 Stirling Road Workington, Harare.



E.I. Manikai
Chairman
Harare
24 September 2025



M. Lashbrook
Chief Executive Officer

Axcentium
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Borrowdale Office Park
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Independent Auditor's Report

To the Shareholders of National Foods Holdings Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the consolidated financial statements of National Foods Holdings Limited and its subsidiaries ("the Group"), set out on **pages 80 to 122**, which comprise the consolidated statement of financial position as at 30 June 2025, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and the notes to the consolidated financial statements, including a summary of material accounting policy information.

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of National Foods Holdings Limited as at 30 June 2025, and its consolidated financial performance and consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and in the manner required by the Companies and Other Business Entities Act (Chapter 24:31).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of financial statements in Zimbabwe. We have fulfilled our ethical responsibilities in accordance with these requirements and the IESBA code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The directors are responsible for the other information. The other information comprises the Statement of the Directors' Responsibility and the Report of the Directors as required by the Companies and Other Business Entities Act (Chapter 24:31) which we obtained prior to the date of this auditor's report and the performance review report, governance report and sustainability report which are expected to be made available to us after that date. The other information does not include the consolidated financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independent Auditor's Report (continued)

Report on the Audit of the Financial Statements (continued)

Responsibilities of the directors for the Consolidated Financial Statements

The directors are responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies and Other Business Entities Act (Chapter 24:31) and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

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

Independent Auditor's Report (continued)

Report on Other Legal and Regulatory Requirements


In fulfilment of the requirements of Section 193 of the Companies and Other Business Entities Act (Chapter 24:31) ("the Act"), we report to the shareholders as follows:

Section 193(1) (a)

The consolidated financial statements of the Group are properly drawn up in accordance with this Act so as to give a true and fair view of the state of the Group's affairs at the date of the consolidated financial statements for the financial year ended 30 June 2025.

Section 193(2)

We have no matters to report in respect of the Section 193(2) of the Act.



Axcantium

Per: Lawrence Nyajeka
Partner
Registered Auditor
PAAB Practice Certificate Number: 0598

Harare, Zimbabwe
25 September 2025

Consolidated Statement of Profit or Loss and other Comprehensive Income

for the year ended 30 June 2025

	Note	2025 US\$	2024 US\$
Revenue	4	442,250,114	359,355,740
Cost of raw materials	13	(350,850,181)	(277,716,498)
Profit before items listed below		91,399,933	81,639,242
Other trading income	5.1	491,947	386,770
Allowance for credit losses	14.2	(145,522)	(77,525)
Operating expenses	5.2	(71,190,958)	(57,601,617)
Operating profit before depreciation, financial income, interest, equity accounted earnings and tax		20,555,400	24,346,870
Financial income	5.3	69,060	868,635
Depreciation	5.4	(6,026,130)	(4,990,729)
Operating profit before interest, equity accounted earnings and tax		14,598,331	20,224,776
Interest income	5.5	1,213,992	1,096,327
Interest expense	5.5	(3,288,580)	(2,596,524)
Equity accounted earnings	11.1.2	10,704	339,223
Profit before tax		12,534,447	19,063,802
Tax expense	6.1	(3,514,128)	(5,307,616)
Profit for the year		9,020,319	13,756,186
Other comprehensive income		—	—
Total comprehensive income for the year		9,020,319	13,756,186
Profit for the year attributable to equity holders of the parent		9,020,319	13,756,186
Total comprehensive income for the year attributable to equity holders of the parent		9,020,319	13,756,186
Earnings per share (cents)			
Basic and diluted earnings per share	7.3	14.36	20.11

Consolidated Statement of Financial Position

as at 30 June 2025

	Note	2025 US\$	2024 US\$
ASSETS			
Non-current assets			
Property, plant and equipment	8	103,305,416	94,842,874
Investment property	9	1,502,676	1,502,676
Goodwill	10	324,503	324,503
Investment in associates	11.2	2,208,421	2,197,716
Other assets	12.1	8,999,410	7,828,040
Right of use assets	23.1	155,217	604,826
		116,495,643	107,300,635
Current assets			
Inventories	13	48,718,213	36,428,366
Trade and other receivables	14	39,399,619	38,701,615
Other assets	12.1	396,421	604,917
Current tax receivable	6.3	867,829	113,130
Cash & cash equivalents	19.3	7,637,436	7,663,616
		97,019,518	83,511,644
		213,515,161	190,812,279
EQUITY AND LIABILITIES			
Equity			
Share capital	15.1	628,071	682,360
Revaluation reserve	15.3	37,137,697	37,137,697
Distributable reserves	15.4	73,892,986	79,240,199
Treasury shares	17	55,930	1,641
		111,714,684	117,061,897
Non-current liabilities			
Deferred tax liability	6.5	14,976,937	12,852,292
Lease liability	23.2	—	363,961
Borrowings	12.2	894,928	—
		15,871,865	13,216,253
Current liabilities			
Trade and other payables	18	66,097,593	45,251,696
Current portion of lease liability	23.2	175,989	241,200
Borrowings	12.2	19,655,030	15,041,233
		85,928,612	60,534,129
Total equity and liabilities		213,515,161	190,812,279



E.I. Manikai
Chairman

Harare
24 September 2025



M. Lashbrook
Chief Executive Officer

Consolidated Statement of Cash Flows

for the year ended 30 June 2025

	Note	2025 US\$	2024 US\$
OPERATING ACTIVITIES			
Cash generated from operations	19.1	22,269,406	27,555,506
Working capital changes	19.2	6,155,864	(3,383,269)
Operating cash flow		28,425,270	24,172,237
Interest income	5.5	1,213,992	1,023,492
Interest expense	5.5	(3,288,580)	(2,596,524)
Income tax paid	6.3	(2,144,182)	(2,579,143)
Net cash inflows from operating activities		24,206,500	20,020,062
INVESTING ACTIVITIES			
Purchase of property, plant and equipment to maintain operations	8	(3,524,112)	(1,510,618)
Purchase of property, plant and equipment to expand operations	8	(11,016,620)	(12,052,280)
Proceeds from disposal of property, plant and equipment		335,694	75,535
Proceeds from sale of associate - Pure Oil		—	1,360,456
(Increase) in other investments		(962,874)	(790,960)
Net cash outflows from investing activities		(15,167,912)	(12,917,867)
FINANCING ACTIVITIES			
Proceeds from borrowings	12.2	13,852,527	6,567,429
Repayment of borrowings	12.2	(8,343,802)	(6,308,764)
Lease liability repayments	23.2	(205,962)	(158,116)
Share buy back	17	(9,459,571)	(215,887)
Dividends paid	16	(4,907,961)	(3,125,885)
Net cash outflows from financing activities		(9,064,769)	(3,241,223)
Net (decrease)/increase in cash and cash equivalents		(26,181)	3,860,972
Net foreign exchange difference on cash		—	(7,739)
Cash and cash equivalents at beginning of the year		7,663,616	3,810,383
Cash and cash equivalents at the end of the year	19.3	7,637,436	7,663,616

Consolidated Statement of Changes in Equity

for the year ended 30 June 2025

	Notes	Share Capital US\$ 15.1	Revaluation Reserve US\$ 15.3	Distributable Reserves US\$ 15.4	Capital Redemption Reserves US\$ 15.5	Total US\$
Balance at 30 June 2023		684,001	37,137,697	68,825,785	—	106,647,483
Profit for the year		—	—	13,756,186	—	13,756,186
Share buyback		(1,641)	—	(215,887)	1,641	(215,887)
Dividends declared	16	—	—	(3,125,885)	—	(3,125,885)
Balance at 30 June 2024		682,360	37,137,697	79,240,199	1,641	117,061,897
Profit for the year		—	—	9,020,319	—	9,020,319
Share buyback		(54,289)	—	(9,459,571)	54,289	(9,459,571)
Dividends declared	16	—	—	(4,907,961)	—	(4,907,961)
Balance at 30 June 2025		628,071	37,137,697	73,892,986	55,930	111,714,684

Notes to the Consolidated Financial Statements

for the year ended 30 June 2025

1. CORPORATE INFORMATION

The Company and its subsidiaries are incorporated in Zimbabwe except for Botswana Milling and Produce Company (Proprietary) Limited and Red Seal Manufacturers (Proprietary) Limited which are incorporated in Botswana.

The Group's main activities comprise of the milling of flour and maize, manufacture of stockfeeds, cereals, snacks and biscuits and the packaging and sale of other general household goods.

In the current year, the entity voluntarily delisted from the Victoria Falls Securities Exchange (VFEX). The Board believes that delisting will grant National Foods increased operational flexibility, enabling the Group to streamline its operations and concentrate on long-term strategic goals without the constraints and pressures of public market requirements. The delisting was effective from 31 January 2025.

The consolidated financial statements of National Foods Holdings Limited for the year ended 30 June 2025 were authorised for issue in accordance with a resolution of the Directors on 27 August 2025.

1.1 Statement of compliance

The Group's financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB) and the Companies and Other Business Entities Act (Chapter 24:31).

1.2 Going concern

The directors have at the time of approving the financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Basis of Preparation

The consolidated financial statements have been prepared under the historical cost convention except for property, plant and equipment, treasury bills and investment property which are measured at fair value. The Group's financial statements are presented in United States Dollar ("US\$"), which is the Group's functional and presentation currency.

1.4 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the entities controlled by the Company, (its subsidiaries). Control is achieved when the Company:

- has the power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it considers that it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2025

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

2.1 Changes in accounting policy and disclosures

New and Amended IFRS Accounting standards adopted

The following new standards, amendments and interpretations are effective for the first time for periods beginning on or after 1 January 2024 and therefore came into effect at the beginning of the year ended 30 June 2025. These standards have no material effect on the Group.

Description	Effective for annual periods beginning on or after	
Lease liability in a Sale and Leaseback (Amendments to IFRS16 Lease)	1 January 2024	N/A
Non-Current liabilities with Covenants (Amendments to IAS 1 Presentation of Financial Statements)	1 January 2024	Applicable
Supplier Finance Arrangements (Amendments to IAS 7 Statement of cashflows and IFRS 7 Financial Instruments: Disclosures)	1 January 2024	N/A
International Financial Reporting Standards, interpretations and amendments issued but not effective		
Lack of Exchangeability (Amendment to IAS 21 The Effects of Changes in Foreign Exchange Rates)	1 January 2025	Applicable
Contracts Referencing Nature-dependent Electricity - Amendments to IFRS 9 and IFRS 7	1 January 2026	N/A
Amendments to the Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7	1 January 2026	Applicable
IFRS 19 Subsidiaries without Public Accountability: Disclosures	1 January 2027	Applicable
IFRS 18 Presentation and Disclosure in Financial Statements	1 January 2027	Applicable

2.2 Foreign currency translation

The Group's financial statements are presented in United States Dollar ("US\$"), which is the Group's functional and presentation currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transaction and are not subsequently retranslated.

Exchange differences arising from translation or settlement of monetary items are recognised in profit or loss in the period in which they arise.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are expressed in United States Dollars using exchange rates prevailing at the end of the reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (attributed to non-controlling interests as appropriate). Upon disinvestment of a foreign entity, translation differences related to that entity are recycled into profit or loss.

Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2025

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.3 Taxation

2.3.1 Current income tax

The income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

A provision is recognised for those matters for which the tax determination is uncertain, but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of tax professionals within the Company supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

2.3.2 Deferred income tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, a deferred tax liability is not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled, or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current tax and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2025

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.3 Taxation (continued)

2.3.3 Value Added Tax (VAT)

Revenues, expenses and assets are recognised net of the amount of VAT except:

- Where the VAT incurred on a purchase of assets or services is not recoverable from the tax authorities, in which case, the VAT is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables that are stated with the amount of VAT included. The net amount of VAT recoverable from, or payable to, the tax authority is included as part of receivables or payables in the statement of financial position.

2.3.4 Uncertain Tax Positions

The local market has experienced significant currency and legislative changes since 2018, which have created numerous uncertainties in the tax treatment of transactions due to the absence of clear guidelines and transitional measures.

In addition, there are further complications arising from the wording of the legislation concerning the currency of settlement of certain taxes for the periods 2019 to 2021, which give rise to interpretations that may differ from those of the tax authorities, thereby creating uncertainties in tax positions. In the last few years, the Zimbabwean Revenue Authority ("ZIMRA") assessed additional Income Taxes, penalties and interest amounting to USD 4.49m for the periods 2019 to 2021 against the Group for amounts that had already been settled in Zimbabwe Dollars, but which ZIMRA deemed should have been paid exclusively in foreign currency, or for matters on which the Group believes it has no tax liability. No credit has been given by ZIMRA to the equivalent amounts already paid in the Country's legal tender.

These assessments are being objected to and challenged in the courts and are at various stages of appeal. Should the Group's appeal not be successful, the historical Zimbabwe dollars paid towards the settlement of these taxes could be refunded. Due to the effect of inflation, these amounts would likely be paid at extremely low values in today's terms.

The Group continues to engage the relevant authorities while these assessments are being objected to and challenged through the courts. Tax payments that have been made with respect to the revised assessments have been accounted for as prepayments on the Group's Statement of Financial Position, in anticipation of a successful appeal process, as the Group believes that the settlements it previously made to fully expunge its tax liabilities were in line with the legal requirements prevailing at the time of settlement. The Group has paid the billed amount of USD 4.49million under the "pay now, argue later" principle. The legislative gaps giving rise to differences in interpretations remain.

2.4 Investment Property

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment properties are included in profit or loss in the period in which they arise, including the corresponding tax effect. Fair values are determined based on an annual valuation performed by an accredited external independent valuer applying a valuation model recommended by the Board.

Investment properties are derecognised either when they have been disposed of (i.e., at the date the recipient obtains control) or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition. In determining the amount of consideration from the derecognition of investment property the Group considers the effects of variable consideration, existence of a significant financing component, non-cash consideration, and consideration payable to the buyer (if any).

Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2025

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.4 Investment Property (continued)

Transfers are made to (or from) investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

2.5 Goodwill

The Group recognises Goodwill acquired through business combinations at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed. The relationship between the investment in subsidiary and its net book value is considered in reviewing impairment indicators.

After initial recognition, the intangible asset is carried at cost less any impairment losses.

2.6 Software-as-a-Service Arrangement

The Group recognises a Software-as-a-Service for the upfront configuration and customisation costs incurred in implementing the ERP cloud solution. SaaS arrangements are service contracts providing the Group with the right to access the cloud provider's application software over the contract period. Costs incurred to configure or customise, and the ongoing fees to obtain access to the cloud provider's application software, are recognised as operating expenses when the services are received. In instances where the full cost is paid in advance, a prepayment will be recognised, and the expense will be amortised as the service is received.

2.7 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Costs incurred in bringing each product to its present location and condition are accounted for as follows:

Raw materials and packaging:

- Purchase cost on a first in, first out basis.

Finished goods and work in progress:

- Cost of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity but excluding borrowing costs.

Consumable stores

- Purchase cost of consumables (machinery spares, stationery and other sundry items)

Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

2.8 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2025

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.9 Short term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service. Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

2.10 Retirement benefits

Retirement benefits are provided for eligible Group employees through various independently administered defined contribution schemes, including the National Social Security Authority. Contributions to these funds are recognised as an expense in the period to which employees' services relate.

2.11 Property, plant and equipment

On initial recognition property, plant and equipment is measured at cost, which includes all the costs necessary to bring the asset to working condition for its intended use.

Subsequent to recognition, all items of property, plant and equipment are shown at revalued amount less accumulated depreciation and accumulated impairment losses, if any. Revaluations are carried out after every five years, so that the carrying amount of an asset does not differ materially from its fair value at the balance sheet date. An increase in revaluation is credited to other comprehensive income and accumulated in equity under the heading "Revaluation Reserve" unless it represents the reversal of a revaluation decrease of the same asset previously recognised as an expense, in which case it should be recognised in profit or loss.

When significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repairs and maintenance costs are recognised in profit or loss as incurred.

No depreciation is provided on land or capital work-in-progress. Depreciation commences when the asset is available for use. Other fixed assets are depreciated on a straight line basis, at such rates as are considered appropriate to reduce their book values to residual values over their estimated useful lives, as follows:

Buildings	40 years
Plant, machinery and equipment	5 - 20 years
Motor vehicles	5 - 10 years

The assets' residual values, useful lives and methods of depreciation are reviewed at the end of each financial year end and adjusted prospectively if appropriate. The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable in full.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised. On the subsequent sale or retirement of a revalued property, the attributable revaluation surplus remaining in the properties revaluation reserve is transferred directly to retained earnings.

2.12 Related parties

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operational decisions. The Group has related party relationships with its subsidiaries, company directors, other key shareholders and key management personnel. Transactions and balances are reflected in note 22.

Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2025

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.13 Statutory receivable

At initial recognition the statutory receivables are measured at their fair value plus transaction costs directly attributable to the acquisition or issue of the financial asset. The best evidence of the fair value of a financial instrument at initial recognition is normally the transaction price (i.e., the fair value of the consideration given or received). If the entity determines that the fair value at initial recognition differs from the transaction price, the entity shall account for that instrument as follows.

- (a) if at the measurement, the fair value is evidenced by a quoted price in an active market for an identical asset (i.e. a level 1 input) or based on a valuation method that uses only data from observable markets. An entity shall recognise the difference between the fair value at initial recognition and the transaction price as a gain or loss.
- (b) In all other cases, the entity may adjust to defer the difference between the fair value at initial recognition and the transaction price. After recognition the entity shall recognise that deferred difference as a gain or loss only to the extent that it arises from a change in a factor (including time) that market participants would take into account when pricing the asset.

Subsequently, the statutory receivables are measured at amortised cost using the effective interest rate. The fair value of the statutory receivables in the form of treasury bills is disclosed in Note 12.

2.14 Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of the goods is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods. The Group has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods before transferring them to the customer.

The disclosures of significant accounting judgements, estimates and assumptions relating to revenue from contracts with customers are provided in Note 3.

Sale of goods

Revenue from sale of goods is recognised at the point in time when control of the good is transferred to the customer, generally on delivery or collection. The normal credit term is 30 days upon transfer. The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g., warranties, customer loyalty points). In determining the transaction price for the sale of goods, the Group considers the effects of variable consideration, the existence of significant financing components, noncash consideration, and consideration payable to the customer (if any).

(i) Variable consideration

If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

(ii) Significant financing component

Generally, the Group receives short-term advances from its customers as well as sells goods on credit to customers. Using the practical expedient in IFRS 15, the Group does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less.

2.15 Cost of sales

Cost of sales comprises of raw materials, packaging and consumables used and any other direct handling costs incurred.

Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2025

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.16 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an assets or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used.

Impairment losses of continuing operations are recognised in profit or loss in those expense categories consistent with the function of the impaired asset.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group makes an estimate of recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss. After the reversal depreciation charge is adjusted in future periods to allocate the revised carrying amount, less any residual value, on a systematic basis over the remaining useful life.

2.17 Financial instruments – initial recognition and subsequent measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

2.17.1 Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, and subsequently measured at amortised cost, fair value through other comprehensive income (OCI), or fair value through profit or loss. The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component are measured at the transaction price determined under IFRS 15. Refer to the accounting policies in note 14.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2025

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.17 Financial instruments – initial recognition and subsequent measurement (continued)

2.17.1 Financial assets (continued)

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in two categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through profit or loss

Financial assets at amortised cost (debt instruments)

This category is the most relevant to the Group. The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's financial assets at amortised cost includes trade receivables, treasury bills and loans receivable.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch. Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss. The Group did not have any financial assets measured at fair value through profit or loss at the reporting date.

Derecognition

A financial asset is primarily derecognised when:

- The rights to receive cash flows from the asset have expired; or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a passthrough arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2025

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.17 Financial instruments – initial recognition and subsequent measurement (continued)

2.17.2 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are measured at amortised cost.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash on hand and deposits in banks.

2.17.3 Impairment of financial assets

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

2.17.4 Financial Liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, or as payables, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Group's financial liabilities include trade and other payables and loans and borrowings including bank overdrafts.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Loans and borrowings

This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss. This category generally applies to interest-bearing loans and borrowings. For more information, refer to Note 12.2.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

2.17.5 Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2025

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.17 Financial instruments – initial recognition and subsequent measurement (continued)

2.17.6 Contract Liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made, or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

2.18 Investment in associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The considerations made in determining significant influence are similar to those necessary to determine control over subsidiaries. The Group's investment in its associates are accounted for using the equity method.

Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is not tested for impairment separately.

The statement of profit or loss reflects the Group's share of the results of operations of the associates. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate or joint venture.

The aggregate of the Group's share of profit or loss of an associate and a joint venture is shown on the face of the statement of profit or loss outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associates

The financial statements of the associate are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associates. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associates and its carrying value and then recognises the loss within 'Share of profit of an associate and a joint venture' in the statement of profit or loss.

Upon loss of significant influence over the associates, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

2.19 Leases

Right-of-use-assets

The Group recognises right-of-use assets at the commencement of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right of use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less incentives received. Right of use assets are depreciated on a straight-line basis over the shorter of the lease term and estimated useful lives of the assets.

Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2025

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.19 Leases (continued)

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease time. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives received, variable lease payments that depend on an index or rate, and amounts expected to be paid under residual value guaranteed. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs. In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in lease term, a change in the lease payments, or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exempt to its short-term leases of machinery and equipment (i.e., those lease that have a term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short term leases and leases of low value are recognized as expense on a straight-line basis over the lease term. Leases in which the Group does not substantially transfer all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the lease asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

3. KEY ESTIMATES, UNCERTAINTIES AND JUDGEMENTS

3.1 Revenue recognition - Estimating variable consideration for discounts and volume rebates

The Group estimates variable considerations to be included in the transaction price for the sale of various products eligible for discounts and volume rebates. The Group's expected volume rebates are analysed on a per customer basis for contracts that are subject to a single volume threshold. Determining whether a customer will be likely entitled to rebate will depend on the customer's historical rebates entitlement and accumulated purchases to date. Any significant changes in experience as compared to historical purchasing patterns and rebate entitlements of customers will impact the expected rebate percentages estimated by the Group. The revenue recognised from sale of goods is disclosed in note 4.

3.2 Fair value measurements and valuation process

In estimating the fair value of property, plant & equipment and investment property, the Group uses judgment when applying market-observable data to the extent it is available as disclosed in note 8.1. The Group engages third party qualified valuers to perform the valuation. Management works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model.

3.3 Useful lives and residual values of property, plant and equipment

The Group assesses useful lives and residual values of property, plant and equipment each year taking into consideration past experience, technology changes and the local operating environment. The estimated useful lives are set out in note 2.12 and no changes to those useful lives have been considered necessary during the year. Residual values are reassessed each year and adjustments for depreciation will be done in future periods if there is indication of impairment in value.

Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2025

3. KEY ESTIMATES, UNCERTAINTIES AND JUDGEMENTS (continued)

3.4 Allowance for credit losses of trade and other receivables

The expected credit loss allowance is an impairment allowance for trade and other receivables which is reviewed on a monthly basis. In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivable from the date the credit was initially granted up to the end of the reporting period as well as the value of security held over that receivable.

The assessment is based on an Expected Credit Loss (ECL) matrix initially based on the Group's historical default rates. The Group applies judgement to calibrate the matrix and adjust the historical default rates with forward-looking information e.g. forecast economic conditions (i.e., gross domestic product) as set out in note 14.2. At every reporting date, the historical default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's trade receivables and the carrying amount of receivables is disclosed in Note 14.

3.5 Impairment of Goodwill

Goodwill arising on acquisition of assets is initially measured and recognised at cost as determined on the acquisition date less accumulated impairment, if any. This goodwill is subsequently tested for impairment at least on an annual basis and any resulting impairment is recognised immediately in the statement of profit or loss and other comprehensive income. The value in use calculation requires the Directors to estimate the future cash flows expected to arise from the cash generating unit and a suitable discount rate in order to calculate present value. Where the actual future cash flows are less than expected, an impairment will arise.

3.6 Functional currency assessment

Significant judgement is required to determine the functional currency. The currency that mainly influences sales prices, currency of the country whose competitive forces and regulations mainly determine sales prices, currency that mainly influences labour, material and other costs are the primary considerations. Other considerations include currency in which funds (financing activities) are generated and the currency in which receipts from operating activities are usually retained and the underlying currency of the major items on the statement of financial position. The Group has assessed and concluded that the functional currency of the Group has not changed from prior year.

3.7 Allowance for obsolete stock

The provision is mainly recognized for obsolete or unsellable goods and is reviewed on a regular basis. In determining the provision, the Group evaluates criteria such as inventory in excess of forecasted demand, product introductions, as well as changes in manufacturing strategies. Appropriate provisions are then made to reflect the risk of obsolescence as disclosed in note 13.

3.8 Investments where Group holds at least 20%

The Group is required to make judgements on what constitutes an investment in associate. IAS 28 "Investments in Associates and Joint Ventures" defines an associate as an entity in which the investor has significant influence. The standard states that if an entity holds 20%, directly or indirectly of the voting power of the investee, it is presumed that the entity has significant influence unless it can clearly be demonstrated that it is not the case. In determining significant influence factors such as board representation, level of transactions and ability to exercise significant influence are also considered. The investments where the Group holds 20% or more, are equity accounted for in terms of IAS 28.

Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2025

	2025 US\$	2024 US\$
4. REVENUE		
Revenue from contracts with customers:		
Milling and manufacturing	442,065,634	359,146,145
Properties (Note 23.2)	184,480	209,595
	442,250,114	359,355,740
5. PROFIT BEFORE TAX		
Profit before tax is arrived at after taking into account the following:		
5.1 Other trading income		
Toll, handling and other services rendered	395,235	365,309
Sale of scrap	91,893	17,460
Bad debts recoveries (Note 14)	4,819	4,001
	491,947	386,770
5.2 Operating expenses		
Analysis of operating expenses:		
Staff costs	20,117,129	16,740,002
Distribution costs	16,899,051	13,681,947
Electricity and generator	8,439,197	5,913,383
Marketing	965,219	1,315,109
Repairs and maintenance	4,132,020	3,700,699
Value added tax on exempt supplies	4,082,741	1,829,987
IMT tax	2,110,116	1,499,494
Computer costs	1,214,761	1,135,244
Management fees	1,195,772	1,107,900
Forklift costs	1,563,177	1,320,664
Bank charges	870,291	989,241
Directors fees (Note 22.6)	129,024	103,828
Audit fees	170,726	185,000
Other*	9,304,405	8,063,219
Total	71,190,958	57,601,617
* Included in other costs are insurance costs, security costs, licences, consulting fees, travel, donations and consumables.		
5.3 Financial income		
Exchange differences on foreign denominated balances	11,823	848,597
Profit on disposal of property (Note 19.1)	57,237	20,038
	69,060	868,635
5.4 Depreciation		
Buildings	1,328,061	1,208,645
Plant, machinery and equipment	3,963,820	3,114,374
Motor vehicles	507,853	464,927
Total depreciation from property, plant and equipment	5,799,733	4,787,946
Right of use asset	226,397	202,783
Total depreciation expense	6,026,130	4,990,729

Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2025

	2024 US\$	2023 US\$
5. PROFIT BEFORE TAX (continued)		
5.5 Interest		
Interest income	1,213,992	1,096,327
Interest income was earned from positive bank balances; other assets carried at amortised cost and from interest charged on overdue customer balances.		
Interest expense	(3,288,580)	(2,596,524)
interest expense on lease liability (Note 23.2)	(64,240)	(83,084)
Interest expense on borrowings	(3,224,340)	(2,513,440)
	(2,074,588)	(1,500,197)
Interest expense arose mainly from lease finance charges and bank borrowings.		
6. TAXATION		
6.1 Income tax expense		
Current tax	1,389,483	2,863,330
- On current profits at normal rates	1,389,483	2,863,330
Deferred tax arising from temporary differences (note 6.5)	2,124,645	2,010,827
Deferred tax relating to effect of rate change (24.72% to 25.75%) (note 6.5)	—	433,459
	3,514,128	5,307,616
6.2 Reconciliation of income tax charge:		
Profit before tax	12,534,447	19,063,802
Income tax computed at 25.75% (2024: 24.72%)	3,227,620	4,712,572
Tax on profit from associate	(2,756)	(83,856)
Non-deductible expenses for tax purposes	289,211	289,264
Change in tax rate from 24.72% to 25.75%	—	433,459
	3,514,128	5,307,616
6.3 Current (tax receivable)		
Opening Balance	(113,130)	(397,317)
Charge to profit or loss	1,389,483	2,863,330
Paid	(2,144,182)	(2,579,143)
Closing Balance	(867,829)	(113,130)

Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2025

	2025 %	2024 %
6. TAXATION (continued)		
6.4 Tax rate reconciliation		
Statutory rate of taxation	25.75%	24.72%
Adjusted for:		
Tax on profit from associate	-0.02%	-0.44%
Foreign income	—	-0.03%
Donations, fines and legal expenses	0.86%	0.51%
IMT Tax	4.33%	1.94%
Change in tax rate from 24.72% to 25.75%	—	2.27%
Other	-2.89%	-1.14%
Effective tax rate	28.04%	27.84%
	2025 US\$	2024 US\$
6.5 Deferred tax liability		
At beginning of the year	12,852,292	10,408,006
Deferred tax relating to current temporary differences (note 6.1)	2,124,645	2,010,827
Deferred tax relating to effect of rate change (24.72% to 25.75%)	—	433,459
At end of the year	14,976,937	12,852,292
Analysis of deferred tax liability		
Property, plant and equipment	15,498,184	13,476,842
Unrealised exchange losses	15,147	34,707
Allowance for credit losses	(97,407)	(59,935)
Other	(438,987)	(599,322)
	14,976,937	12,852,292

7. EARNINGS PER SHARE

Basic earnings basis

Basic earnings per share amounts are calculated by dividing the profit after tax for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings basis

Diluted earnings per share amounts are calculated by dividing the profit after tax attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2025

7. EARNINGS PER SHARE (continued)

Headline earnings basis

Headline earnings are a measurement of a company's earnings based solely on operational activities and specifically excludes any income or expenses that are capital in nature such as, sale of assets, and/or accounting write-downs or write ups. The Group's headline earnings comprise of basic earnings attributable to equity holders of the parent adjusted for profits, losses and items of a capital nature that do not form part of the ordinary activities of the Group, net of the respective tax effects.

The calculation of diluted headline earnings per share is based on the headline profit attributable to equity holders of the parent and the weighted average number of ordinary shares in issue after adjusting for potential conversion of share options. The potential conversion is possible when the average market price of ordinary shares during the year exceeds the exercise price of such options.

The following reflects the income and share data used in the earnings per share computations:

	2025 US\$	2024 US\$
7.1 Weighted average number of shares in issue		
Weighted average shares in issue for basic, diluted and headline earnings per share	62,807,100	68,235,992
Movement in shares (Note 17)		
During the year ended 30 June 2025, National Foods Limited initiated a share buyback program as authorized by the Board of Directors and approved by shareholders at the Annual General Meeting held on 21 August 2024. Under this program, the company repurchased 5,428,912 of its own shares at an average price of \$1.71 per share, amounting to a total consideration of \$9,283,439.52.		
7.2 Profit for the year		
Net profit attributable to equity holders of the parent	9,020,319	13,756,186
There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of completion of these financial statements.		
7.3 Headline earnings		
Reconciliation between profit for the year and headline earnings		
Net profit attributable to ordinary equity holders of the parent	9,020,319	13,756,186
Adjusted for capital items:		
Profit on disposal of property, plant and equipment	(57,237)	(20,038)
Tax effect of adjustments	14,738	4,849
Headline earnings	8,977,821	13,740,997
Basic and diluted earnings per share (cents)	14.36	20.11
Headline earnings per share (cents)	14.29	20.09

Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2025

	Land & Buildings US\$	Plant, machinery & equipment US\$	Motor vehicles US\$	Capital Work in progress* US\$	Total US\$
8. PROPERTY, PLANT AND EQUIPMENT					
At 30 June 2025					
Valuation					
At the beginning of the year	46,819,650	30,986,134	2,565,752	23,194,667	103,566,203
Additions	378,545	1,664,149	896,520	11,601,519	14,540,732
Disposals	—	(222,847)	(97,935)	—	(320,781)
Transfers from work in progress	—	13,911,161	622,847	(14,534,008)	—
Derecognition/write off assets	—	(715)	715	—	—
At end of the year	47,198,195	46,337,882	3,987,899	20,262,178	117,786,154
Depreciation					
At beginning of the year	(2,357,457)	(5,460,978)	(904,894)	—	(8,723,329)
Charge for the year	(1,328,061)	(3,963,820)	(507,853)	—	(5,799,733)
Disposals	—	1,593	40,730	—	42,324
Transfers	—	(1,019)	1,019	—	—
At end of the year	(3,685,518)	(9,424,223)	(1,370,997)	—	(14,480,738)
Carrying amount	43,512,677	36,913,659	2,616,902	20,602,178	103,305,416
At 30 June 2024					
Valuation					
At the beginning of the year	38,113,754	29,634,253	1,903,255	20,540,027	90,191,289
Additions	2,001,489	3,196,196	700,025	7,665,188	13,562,898
Disposals	(33,093)	(29,574)	(44,111)	—	(106,778)
Transfer from capital work in progress	6,737,500	(1,814,741)	26,783	(4,949,542)	—
Derecognition/written off assets	—	—	(20,200)	(61,006)	(81,206)
At end of the year	46,819,650	30,986,134	2,565,752	23,194,667	103,566,203
Depreciation					
At beginning of the year	(981,072)	(2,555,663)	(454,778)	—	(3,991,513)
Charge for the year	(1,208,645)	(3,114,374)	(464,927)	—	(4,787,946)
Disposals	33,093	8,226	9,963	—	51,282
Transfers	(200,833)	200,833	—	—	—
Derecognition/write off assets	—	—	4,848	—	4,848
At end of the year	(2,357,457)	(5,460,978)	(904,894)	—	(8,723,329)
Carrying amount	44,462,193	25,525,156	1,660,858	23,194,667	94,842,874

* Capital work in progress is stated at cost.

* During the year, the Group started the construction of a solar photovoltaic energy system in October 2024. The project is expected to be completed in August 2025. The carrying amount of the project as at 30 June 2025 was USD\$2,569,686. The project is financed by a third party, Cicada Solar Limited. The amount of borrowing costs capitalised in the current year was \$25,963. The rate used to determine the amount of borrowing cost eligible for capitalisation was 7.5% which is the Effective Interest Rate of the specific borrowing.

Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2025

8. PROPERTY, PLANT AND EQUIPMENT (continued)

8.1 Valuation of property, plant and equipment

Property, plant and equipment is stated at revalued amounts, being the fair value at the date of revaluation (1 July 2022), less subsequent accumulated depreciation and impairment losses. The valuation of the property, plant and equipment was performed by Integrated Properties, an independent valuation company. Integrated Properties is a member of the Valuers Council of Zimbabwe and has appropriate qualifications and experience in the fair value measurement of property, plant and equipment. The valuation conforms to International Valuation Standards and was based on the approach detailed below.

The fair value of commercial and industrial land, buildings, plant, machinery and furniture and fittings was determined based on the cost approach.

Motor vehicles fair value was based on the depreciated replacement cost, which was determined based on market comparable data, the condition of the asset, estimated remaining useful life, amongst other factors. The market comparable data reflects recent arms' length transaction prices for similar assets adjusted for the use/condition, location, size and quality of finishes.

Significant unobservable data utilised in the valuation

There has not been a material change in USD\$ property values, as a result, the Directors have relied on the 2022 full valuation. The following significant unobservable level 3 inputs were applied in arriving at the fair values at 30 June 2022.

Asset Class	Valuation technique	Significant unobservable inputs	Range	Sensitivity
Land and buildings	Combination of Market & Cost approach	Market rentals per m ²	US\$1.00 - US\$25.00	Increase/(decrease) in price per square metre results in an increase/(decrease) in fair value by US\$1,439,219
		Capitalisation rate	13% - 15%	Increase/(decrease) in capitalisation rate results in an increase/(decrease) in fair value by US\$5,714
		Estimated remaining useful life	40 years	A 10% increase/(decrease) in the useful lives of the assets results in an increase/(decrease) in fair value of US\$3,203,980
Plant and machinery	Combination of Market & Cost approach	Cost of replacing the asset	10%	Increase/(decrease) in cost of replacing the asset results in an increase/(decrease) in fair value of US\$2,596,136
		Estimated remaining useful life	5 - 20 years	A 10% increase/(decrease) in the useful lives of the assets results in an increase/(decrease) in fair value of US\$223,090

Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2025

8. PROPERTY, PLANT AND EQUIPMENT (continued)

8.1 Valuation of property, plant and equipment (continued)

If property, plant and equipment were measured using cost model, the carrying amounts would be as follows:

	Land & Buildings US\$	Plant, machinery & equipment US\$	Motor vehicles US\$	Total US\$
Carrying amount at 30 June 2025	30,225,235	19,764,324	1,566,119	51,555,678

The table below provides the fair value measurement hierarchy of the Group's assets

Fair value measurement hierarchy for assets:

	Fair value measurement using			Fair value US\$
	Quoted prices in active markets (Level 1) US\$	Significant observable inputs (Level 2) US\$	Significant unobservable inputs (Level 3) US\$	
As at 30 June 2025				
Land & Buildings	—	—	43,512,677	43,512,677
Plant, Machinery & Equipment	—	—	46,336,916	46,336,916
Motor vehicles	—	—	2,847,678	2,847,678
As at 30 June 2024				
Land & Buildings	—	—	44,462,193	4,462,193
Plant, Machinery & Equipment	—	—	25,525,156	25,525,156
Motor Vehicles	—	—	1,660,858	1,660,858

	2025 US\$	2024 US\$
9. INVESTMENT PROPERTY		
Carrying amount at the beginning of the year	1,502,676	1,502,676
Additions	—	—
Disposal	—	—
Gain from fair value adjustments	—	—
Carrying amount at the end of the year	1,502,676	1,502,676
Comprising:		
Freehold property	1,502,676	1,502,676

The fair value of freehold property leased to third parties under operating leases is US\$1,502,676 (2024: US\$1,502,676)

Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2025

9. INVESTMENT PROPERTY (continued)

The carrying amount of investment property is the fair value of property as determined by Integrated Properties, an independent professional valuer, with appropriate recognised professional qualifications and recent experience in the location and category of the properties being valued. Fair values are determined with regards to recent market transactions for similar properties in the same location as the investment property. The Company's current lease arrangements, which are entered into on an arm's length basis, and which are comparable to those for similar properties in the same location, are taken into account. Investment properties were fair valued using the market approach. The fair value of the Company's properties are categorised into Level 3 of the fair value hierarchy.

Quantitative disclosures fair value measurement hierarchy for assets:

	Fair value measurement using			Fair value US\$
	Quoted prices in active markets (Level 1) US\$	Significant observable inputs (Level 2) US\$	Significant unobservable inputs (Level 3) US\$	
As at 30 June 2025				
Investment property measured at fair value				
Office, retail and industrial buildings	—	—	1,502,676	1,502,676
As at 30 June 2024				
Investment property measured at fair value				
Office, retail and industrial buildings	—	—	1,502,676	1,502,676

10. GOODWILL

	2025 US\$	2024 US\$
Net carrying amount at the beginning of the year	324,503	324,503
Impairment	—	—
Net carrying amount at the end of the year	324,503	324,503
Gross carrying amount	379,105	379,105
Accumulated impairment losses	(54,602)	(54,602)

During the year management did not impair goodwill.

Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2025

11. INVESTMENT IN ASSOCIATES

The Group has the following investment:

11.1 National Foods Logistics

The Group acquired a 50% interest in National Foods Logistics on 1 April 2018. National Foods Logistics is a private entity that is not listed on any public exchange and is responsible for the distribution of National Foods' product to the market. The Group's interest is accounted for using the equity method in the consolidated financial statements. National Foods Logistics is incorporated in Zimbabwe and its principal place of business is in Harare, Zimbabwe.

11.1.1 Net assets acquired at acquisition date

National Foods Logistics had nil assets as at the acquisition date. A cash consideration of US\$750,000 was paid by the Group for a 50% stake in the associate.

11.1.2 Summarised financial information of associate

The following table illustrates the summarised financial information of National Foods Logistics:

	2025 US\$	2024 US\$
Income Statement		
Revenue	15,124,846	11,832,551
Profit after tax	21,408	678,446
Group's share of profit - 50%	10,704	339,223
Statement of Financial Position		
Non current assets	4,387,990	3,996,180
Current assets	860,235	1,886,944
Non current liabilities	(169,452)	(131,494)
Current liabilities	(661,932)	(1,356,199)
Equity	4,416,841	4,395,431
Group's share of equity - 50%	2,208,421	2,197,716
Group's carrying amount of investment	2,208,421	2,197,716
11.2 Reconciliation of movements in associates		
Balance at the beginning of the year	2,197,716	1,858,493
Total equity accounted earnings	10,704	339,223
Balance at the end of the year	2,208,420	2,197,716

The associate had no contingent liabilities or capital commitments as at 30 June 2025 and 30 June 2024.

Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2025

	2025 US\$	2024 US\$
14. TRADE AND OTHER RECEIVABLES		
Trade receivables	31,205,621	29,327,622
Bad debts written off	2,671	(15,900)
Bad debts recovered	4,819	4,001
Allowance for credit losses	(378,279)	(232,757)
Net trade receivables	30,834,832	29,082,966
Prepayments	5,828,887	5,662,823
Other receivables*	2,735,900	3,955,826
	39,399,619	38,701,615
* Other receivables mainly consist of amounts recoverable in respect of non-trade transactions including advances to employees and sundry debtors.		
14.1 Trade receivables		
Trade receivables disclosed above are classified as at amortised cost and are therefore measured at amortised cost.		
Refer to note 2.18.3 for the Group's allowance for expected credit losses policy.		
14.2 Movement in allowance for credit losses of receivables		
Balance at the beginning of the year	(232,757)	(876,270)
Current year allowances	(145,522)	(77,525)
Utilised during the year	—	721,038
Balance at year end	(378,279)	(232,757)

The Group uses a provision matrix to calculate ECLs for trade receivables and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type, customer type and rating, and coverage by letters of credit and other forms of credit insurance).

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. By nature, the estimation of forward looking variables like macroeconomic factors in the near future is judgemental and subject to uncertainty. In the absence of a reliable correlation between macroeconomic factors and ECL losses, the Group applies expert judgement to decide whether a management overlay provision should be included in the measurement of ECL losses.

Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2025

	2025 US\$	2024 US\$
14. TRADE AND OTHER RECEIVABLES (continued)		
14.3 Ageing of impaired trade and other receivables		
0 - 30 days	52,664	46,838
31 - 60 days	27,189	51,045
61 - 90 days	40,979	5,925
Over 90 days	257,447	128,949
Total	378,279	232,757
Average age on impaired trade and other receivables (days)	31	24
15. ISSUED CAPITAL AND RESERVES		
15.1 Issued capital		
Authorised		
73 000 000 ordinary shares of US\$1 cent each	730,000	730,000
Issued and fully paid		
62 807 100 ordinary shares (2024: 68 235 992) of US\$ 1 cent each	628,071	682,360
Issued shares reconciliation		
Opening balance	682,360	684,001
Share buyback	(54,289)	(1,641)
Closing balance	628,071	682,360
Unissued shares		
10,192,900 (2024: 4 764 008) ordinary shares of US\$ 1 cent each	101,929	47,640

The unissued shares are under the control of the Directors for an indefinite period and are subject to the limitations of the Companies and Other Business Entities Act (Chapter 24:31).

15.2 Directors' shareholdings

At 30 June 2025, the Directors held directly or indirectly the following shares in the Company:

	2025 Number of shares	2024 Number of shares
M. Lashbrook	—	231

Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2025

	2025 US\$	2024 US\$
15. ISSUED CAPITAL AND RESERVES (continued)		
15.3 Revaluation reserves		
Closing balance	37,137,697	37,137,697
The revaluation reserve arose on the revaluation of PPE at 30 June 2022.		
15.4 Distributable reserves		
Opening balance	79,240,199	68,825,785
Profit for the year	9,020,319	13,756,186
Dividend declared	(4,907,961)	(3,125,885)
Share buy back (Note 17)	(9,459,571)	(215,887)
Closing balance	73,892,986	79,240,199
16 DIVIDEND		
Declared and paid during the year:		
Final dividend for 2024: US\$ 3.29 cents per share (2023: US\$ 1.15 cents per share)	2,250,360	786,601
Interim dividend for 2025: US\$3.89 cents per share (2024: US\$ 3.43 cents per share)	2,657,601	2,339,284
Total dividends declared and or paid	4,907,961	3,125,885
Total dividends paid	4,907,961	3,125,885
Proposed and approved (not recognised as a liability at 30 June 2025)		
Final dividend for 2025: US\$2.95 per share (2024: US\$3.29 per share)	1,853,000	2,250,360
SHAREHOLDERS FOR DIVIDEND		
Opening balance	—	—
Dividend paid	4,907,961	(3,125,885)
Dividend declared	(4,907,961)	3,125,885
Closing balance	—	—

17 TREASURY SHARES

Details of Share Buyback

During the year ended 30 June 2025, National Foods Limited initiated a share buyback program as authorized by the Board of Directors and approved by shareholders at the Annual General Meeting held on 21 August 2024. Under this program, the company repurchased 5,428,912 of its own shares at an average price of \$1.71 per share, amounting to a total consideration of \$9,283,439.52.

Impact of Equity

The repurchased shares are held as treasury shares. The impact on the equity components as at 30 June 2025 is as follows:

- Share Capital: Decreased by \$54,289 (par value of \$0.01 per share for 5,428,912 shares).
- Capital Redemption Reserve: Increased by \$54,289 (cost of shares repurchased).
- Retained Earnings: Decreased by \$9,459,571 (consideration paid of \$9,283,440 and transaction charges of \$176,131).

Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2025

17 TREASURY SHARES (continued)

Purpose and Authorization

Management believed that buying back some of the shares would correct the capital structure of the business.

Reacquired Shares

As at 30 June 2025, the total number of shares held in treasury is 5,593,028. These shares are presented as a separate line item within equity on the balance sheet and are not included in the calculation of earnings per share.

The repurchase of shares is funded through the company's internal cash resources and does not involve any new financial liabilities. The company manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to stakeholders.

The weighted average number of ordinary shares used in the calculation of basic and diluted earnings per share for the year ended 30 June 2025 has been adjusted for the cumulative buyback of 5,593,028 shares.

Basic EPS: The weighted average number of shares outstanding during the period has been reduced by 5,593,028 shares (weighted effect of the buyback). Refer to Note 7.

	2025 US\$	2024 US\$
18. TRADE AND OTHER PAYABLES		
Trade payables	60,556,081	40,196,049
Leave pay allowance	495,113	385,781
Other payables*	5,046,399	4,669,866
	66,097,593	45,251,696
Terms and conditions of the above financial liabilities		
Trade payables are non-interest bearing and are normally settled within a 30 - 60 day term. Other payables are non-interest bearing and terms range between 30 and 90 days.		
* Included in other payables are other accruals such as electricity provision and management fees.		
19. CASH FLOW INFORMATION		
19.1 Cash generated from operations		
Profit before tax	12,534,447	19,063,802
Interest income (Note 5.5)	(1,213,992)	(1,096,327)
Interest expense (Note 5.5)	3,288,580	2,596,524
Depreciation (Note 5.4)	6,026,130	4,990,729
Allowance for obsolete inventory	121,431	22,626
Allowance for credit losses (Note 14.2)	145,522	77,525
Unrealised foreign exchange (gain)/loss	(58,824)	127,047
Leave pay provisions	193,720	119,112
Incentive provision	1,300,331	1,938,548
Profit on disposal of assets (Note 5.3)	(57,237)	(20,038)
Write off property, plant and equipment	—	76,358
Equity accounted earnings (Note 11)	(10,704)	(339,223)
Other	—	(1,178)
	22,269,406	27,555,506

Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2025

	2025 US\$	2024 US\$
19. CASH FLOW INFORMATION (continued)		
19.2 Working capital changes		
(Increase)/decrease in inventories	(12,411,278)	10,589,434
Increase in accounts receivable	(843,526)	(3,678,970)
Increase/(decrease) in accounts payable	19,410,668	(10,293,733)
	6,155,864	(3,383,269)
19.3 Cash and cash equivalents at end of year		
Cash at bank	7,637,436	7,663,616
	7,637,436	7,663,616
Cash and cash equivalents consist of cash on hand and balances with banks. Cash at bank accrues interest at floating rates based on daily bank deposit rates.		
20 CAPITAL COMMITMENTS		
Capital expenditure commitments		
Authorised and contracted for	4,430,210	1,247,000
Authorised but not contracted for	22,357,026	8,098,369
	26,787,236	9,345,369

The Capital expenditure is to be financed out of the Group's own resources and existing borrowing facilities.

21 PENSION SCHEMES

All eligible employees are members of the following Group schemes which are independently administered:

21.1 National Foods Pension Fund

This is a defined contribution fund, administered by an insurance company which covers eligible employees. Contributions are at the rate of 17.5% of pensionable emoluments of which members pay 7%, (2025 US\$219,885 2024 US\$222,723). These amounts are included in the staff costs shown under note 5.2.

21.2 National Social Security Authority Scheme

This is a defined contribution scheme established under the National Social Security Authority Act (1989). Contributions by employees are 4.5% per month of pensionable monthly emoluments, up to a maximum contribution legislated from time to time.

Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2025

22. RELATED PARTY TRANSACTIONS

22.1 The financial statements include the financial statements of National Foods Holdings Limited, subsidiaries and associates listed in the table below. Innscor Africa Limited and Tiger Brands Limited remain National Foods Holdings Limited's major shareholders with equal shareholding of 37.54% (2024: 37.45%)

Name	Country of incorporation	2025 Equity Interest	2024 Equity Interest
Subsidiaries			
National Foods Limited	Zimbabwe	100%	100%
National Foods Properties Limited	Zimbabwe	100%	100%
Botswana Milling and Produce Company (Proprietary) Limited	Botswana	100%	100%
Red Seal Manufacturers (Proprietary) Limited	Botswana	100%	100%
Clairedelune Investments (Private) Limited	Zimbabwe	100%	100%
Associates			
National Foods Logistics	Zimbabwe	50%	50%
Dormant Companies			
Harris Maize Milling and Produce Company (Private) Limited	Zimbabwe	100%	100%
Palte-Harris (Private) Limited	Zimbabwe	100%	100%
Natpak Zimbabwe (Private) Limited	Zimbabwe	100%	100%
Bakery Products (Private) Limited	Zimbabwe	100%	100%
Speciality Animal Feed Company Limited	Zimbabwe	100%	100%

	2025 US\$	2024 US\$
22.2 Transactions entered into with related parties		
Purchase of trading stocks, raw materials and services		
Innscor Africa Limited Group companies	253,325,230	123,329,593
National Foods Logistics	15,134,990	11,702,084
Sale of goods and Services		
Innscor Africa Limited Group companies	102,361,262	102,121,330
Interest and Management Fees		
Innscor Africa Limited Group companies - Management fees	829,500	863,500
Interest and Management Fees		
Tiger Brands Limited - Technical fees	239,834	240,000
22.3 Balances (due to) related parties		
Innscor Africa Limited Group companies	(29,384,024)	(30,162,090)
National Foods Logistics	(382,477)	(204,465)
22.4 Balances from related parties		
Innscor Africa Limited Group companies	6,394,644	3,173,613

Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2025

22. RELATED PARTY TRANSACTIONS (continued)

22.5 Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made at terms equivalent to those that prevail in arm's length transactions. Outstanding balances at year end are unsecured, interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 30 June 2025 the Group has not recorded any impairment of receivables relating to amounts owed by related parties (2024: US\$ nil). This assessment is undertaken each financial year through examining the financial position of each related party and the market in which the related party operates.

	2025 US\$	2024 US\$
22.6 Directors emoluments		
Aggregate amounts paid by the Company and its subsidiaries to directors of the Company for:		
Directors' fees	129,024	103,828
	129,024	103,828
22.7 Key management remuneration		
Key management consists of the executive committee members and business units' managing executives.		
Aggregate short term employee benefits paid by the Company and its subsidiaries to key management of the Company	3,540,265	2,759,239
Pension Contributions	70,221	83,634
	3,610,486	2,842,873

23 LEASES

Group as a lessee

The Group entered into a leasing arrangement for a building that houses the Snacks operations in Willowvale. The Group's obligations under its leases are secured by the lessor's title to the leased assets. The group did not have any low value leases and short term leases recognised during the year.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

	2025 US\$	2024 US\$
23.1 Right of use assets		
Opening carrying amount	604,826	143,354
Remeasurement	(223,212)	664,255
Depreciation expense (Note 5.4)	(226,397)	(202,783)
Carrying amount at 30 June	155,217	604,826

Set out below are the carrying amounts of lease liabilities and the movements during the period:

Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2025

23 LEASES (continued)

23.2 Lease liability

	2025 US\$	2024 US\$
At beginning of the year	605,161	100,197
Remeasurement	(223,210)	663,080
Accretion of interest (Note 5.5)	64,240	83,084
Payments	(270,202)	(241,200)
At end of the year	175,989	605,161
Current	175,989	241,200
Non-current	—	363,961
	175,989	605,161

Group as a lessor

The Group has entered into operating leases on its property portfolio consisting of certain office and manufacturing buildings. These leases have terms of between one and five years. All leases include a clause to enable upward revision of the rental charge on an annual basis according to prevailing market conditions.

Rental income recognised by the Group during the year is US\$ 184,480 US\$ (2024: US\$ 209,595).

Future minimum rentals receivable under non-cancellable operating leases as at 30 June 2025 are as follows:

	2025 US\$	2024 US\$
Within one year	206,617	234,746
After one year but not more than 5 years	259,181	294,466

24 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

24.1 Capital Management

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders.

The Group monitors capital using a gearing ratio, which is debt divided by the sum of total equity and debt. The target ratio is a debt equity ratio that is no higher than 30%.

	2025 US\$	2024 US\$
Interest bearing borrowings (Note 12.2)	20,549,958	15,041,233
Lease liabilities (Note 23.2)	175,989	605,161
Less cash and cash equivalents (Note 19.3)	(7,637,436)	(7,663,616)
Net Debt	13,088,511	7,982,778
Total Equity	111,714,684	117,061,897
Gearing ratio	10.5%	6.4%

Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2025

24 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

24.2 Financial risk management

The Group's principal financial instruments comprise interest-bearing borrowings, overdrafts, financial assets, cash and short-term deposits. The main purpose of these financial instruments is to raise finance for the Group's operations or to achieve a return on surplus short-term funds. The Group has various other financial assets and financial liabilities such as trade receivables and trade payables, which arise directly from its operations.

The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk. The Board reviews and agrees policies for managing each of these risks and the Group's management of these are summarised below:

24.2.1 Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities when customer's default on payments (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions and other financial instruments. Financial assets of the Group which are subject to credit risk consist mainly of cash resources, trade and other receivables and other financial assets.

Cash resources are placed with various approved financial institutions subject to approved limits. All these institutions are of a high standing. The Group's maximum exposure to credit risk on cash resources as at 30 June 2025 and 2024 is the carrying amount as outlined in note 24.2.1.

Other Financial Instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Group's treasury department in accordance with the Group's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Group's Board of Directors on an annual basis and may be updated throughout the year subject to approval of the Group's Finance Committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments. The Group assessed the exposure and concluded that the risk was low and not material.

Trade receivables and contract assets

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on individual credit limits defined in accordance with this assessment. The Group obtains collateral security from debtors, where necessary. This is done after assessing the customers' ability to honour their obligations and the level of exposure. Collateral can be bank guarantees, holding company guarantees, properties, listed shares or other assets. There was no collateral held to cover credit risk as at 30 June 2025.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customers with similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written off if past due for more than one year and are not subject to enforcement activity. A trade receivable is considered in default when the customer account is 180 days past due or there exists evidence indicating that the asset is credit impaired. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 12 and Note 14. The Group evaluates the concentration of risk with respect to trade receivables as low, as its customers are granted short term credit terms.

Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2025

24. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

24.2 Financial risk management (continued)

24.2.1 Credit risk (continued)

	<30 days US\$	30-60 days US\$	61-90 days US\$	>91 days US\$	Total US\$
30 June 2025					
Expected credit loss rate	0.2%	0.9%	2.8%	64.0%	
Estimated total gross carrying amount at default	24,367,797	3,088,347	1,464,340	402,386	29,322,871
Expected credit loss	52,664	27,189	40,979	257,447	378,279
30 June 2024					
Expected credit loss rate	0.2%	1.1%	3.3%	44.3%	
Estimated total gross carrying amount at default	23,944,675	4,783,607	180,792	291,177	29,200,251
Expected credit loss	46,838	51,045	5,925	128,949	232,757

24.2.2 Liquidity risk

The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. The ability of the Group to settle its foreign creditors remained a key consideration, although with the support of the Reserve Bank of Zimbabwe, as well as some respite in respect of foreign liquidity on the back of tobacco inflows, the Group's position with its foreign creditors normalised by year end. Note 12.2 sets out details of additional undrawn facilities that the Group has at its disposal to further reduce liquidity risk.

The following tables detail the Group's remaining contractual maturity for its financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities and assets based on the earliest date on which the Group can be required to pay.

	Less than 3 months US\$	3-12 Months US\$	1 - 5 years US\$	Total US\$
Year ended 30 June 2025				
Liabilities				
Borrowings	—	19,655,030	894,928	20,549,958
Trade payables and other payables (excludes income received in advance)	66,097,593	—	—	66,097,593
Lease liabilities	—	175,989	—	175,989
	66,097,593	19,831,019	894,928	86,823,540
Assets				
Trade and other receivables (excluding VAT and Prepayments)	30,834,832	—	—	30,834,832
Other assets	—	396,421	8,999,410	9,395,831
Cash and cash equivalents	7,637,436	—	—	7,637,436
	38,472,268	396,421	8,999,410	47,868,098
Liquidity gap	27,625,325	19,434,598	(8,104,482)	38,955,441

Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2025

24. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

24.2 Financial risk management (continued)

24.2.2 Liquidity risk (continued)

	Less than 3 months US\$	3-12 Months US\$	1 - 5 years US\$	Total US\$
Year ended 30 June 2024				
Liabilities				
Borrowings	—	15,041,233	—	15,041,233
Trade payables and other payables (excludes income received in advance)	45,251,697	—	—	45,251,697
Lease liabilities	—	241,200	363,962	605,162
	45,251,697	15,282,433	363,962	60,898,092
Assets				
Trade and other receivables (excluding VAT and Prepayments)	33,038,792	—	—	33,038,792
Other assets	—	—	8,432,957	8,432,957
Cash and cash equivalents	7,663,616	—	—	7,663,616
	40,702,408	—	8,432,957	49,135,365
Liquidity gap	4,549,289	15,282,433	(8,068,995)	11,762,727

The Group settles its obligations to suppliers in accordance with agreed terms although payments to some foreign creditors were delayed as a result of foreign currency shortages. As disclosed in note 13 the Group holds enough inventory to cover the gap between trade payables and cash balances within the next 12 months. Prepayments as disclosed in note 14 will also increase liquidity when the stocks are received and sold. This is addressing the liquidity gap in the subsequent periods. For the periods beyond 12 months, the Group reasonably expects to be able to generate enough cash to cover its all its obligations as they fall due.

24.2.3 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of interest rate risk and foreign currency risk. Financial instruments affected by market risk include loans and borrowings, deposits, debt and equity investments.

24.2.3.1 Interest risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's obligations with floating interest rates.

The Group manages its interest rate risk by having a balanced portfolio of short-term loans and borrowings with variable interest rates. At 30 June 2025, the Group's borrowings are at an average rate of interest of 11.3% (2024: 10.93%) as shown in note 12.2.

The following note demonstrates the profit before tax sensitivity to a reasonable possible change in interest rates on bank borrowings and other financial assets.

Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2025

24. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

24.2 Financial risk management (continued)

24.2.3 Market risk (continued)

24.2.3.1 Interest risk

The following assumptions have been made in calculating the sensitivity analyses:

- The sensitivity of the interest expense on profit or loss item is the effect of the assumed changes in market interest rates. This is based on the financial assets and financial liabilities held at 30 June 2025 and 2024.
- The sensitivity of equity is calculated by considering the effect of any associated net investment in a foreign operation at 30 June 2025 for the effects of the assumed changes of the interest rate.
- There were no such instruments held by the Group at the end of the financial reporting period

The following table demonstrates the profit before tax sensitivity to a reasonable possible change in interest rates on loans receivable.

	2025 US\$	2024 US\$
Effect on profit before tax		
Increase of 3%	(96,730)	(45,006)
Decrease of 3%	96,730	45,006

23.2.3.2 Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a foreign currency) and the Group's net investments in foreign subsidiaries.

Exposure to losses on foreign currency denominated creditors is managed through prompt payment of outstanding balances.

The carrying amount of the Group's foreign currency denominated monetary assets at the end of the reporting period is as follows:

	2025 US\$	2024 US\$
South African Rand	—	86,026
Botswana Pula	—	—
Zimbabwe Gold	3,910,818	3,147,807
Total	3,910,818	3,233,833

The Group is primarily exposed to the Zimbabwe Gold, Rand and Botswana Pula. The following table details the Group's sensitivity to a 50% strengthening in the US\$ against the Zimbabwe Gold and 10% for the Rand and Botswana Pula (2024: 50% Zimbabwe Gold and 10% for the Rand and Botswana Pula). The sensitivity analysis includes any outstanding foreign currency denominated monetary items and adjusts their translation at period end for a 50% and 10% fluctuation of the relevant currencies. A positive number below indicates an increase in profit and equity where the US\$ strengthens against the relevant currency. For a weakening of the US\$ against the relevant currencies there would be a comparable inverse impact on the profit and equity. The Group's exposure to foreign currency changes for all other currencies is not material.

Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2025

24. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

24.2 Financial risk management (continued)

24.2.3 Market risk (continued)

24.2.3.2 Foreign currency risk (continued)

	2025 US\$	2024 US\$
South African Rand	—	8,603
Botswana Pula	—	—
Zimbabwe Gold	1,955,409	1,573,903

The sensitivity is mainly attributable to receivables and payables denominated in these currencies.

25. SEGMENTAL ANALYSIS

25.1 Operating segment information

For management purposes the Group is organised into business units based on their products and services and has resulted in two reportable operating segments as follows:

Milling and Manufacturing

This segment comprises of the flour, maize, stockfeeds, snacks, biscuits, cereals and downpacking operating segments. Management has applied the following judgements in aggregating these operating segments:

- The operating segments exhibit similar long term average gross margins
- The products constitute fast moving consumer goods
- They are involved in the conversion of one form of raw material to a saleable purchased state

Properties

This segment includes all properties owned by the Group. Properties are leased out to business units in the Milling and Manufacturing segment as well as to third parties.

Profit before tax is used to measure segment performance.

Segment revenues and results

	Milling and Manufacturing US\$	Properties US\$	Intersegment adjustments US\$	Group US\$
Year ended 30 June 2025				
Segment revenue				
External customers	442,065,634	184,480	—	442,250,114
Internal	—	2,092,711	(2,092,711)	—
Total revenue	442,065,634	2,277,191	(2,092,711)	442,250,114
Operating profit	14,248,748	349,583	—	14,598,331
Interest income	1,213,992	52,333	(52,333)	1,213,992
Interest expense	(3,288,580)	(37,040)	37,040	(3,288,580)
Equity accounted earnings	10,704	—	—	10,704

Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2025

25. SEGMENTAL ANALYSIS (continued)

25.1 Operating segment information (continued)

	Milling and Manufacturing US\$	Properties US\$	Intersegment adjustments US\$	Group US\$
Year ended 30 June 2025				
Profit before tax	12,184,864	364,876	(15,293)	12,534,447
Segment assets	172,317,518	41,197,642	—	213,515,160
Segment liabilities	(93,793,326)	(8,007,150)	—	(101,800,476)
Net segment assets	78,524,192	33,190,492	—	111,714,684
Depreciation charge for the year	4,891,612	1,134,518	—	6,026,130
Capital expenditure	12,082,861	2,457,871	—	14,540,732
Number of employees	2,013	—	—	2,013
Year ended 30 June 2024				
Segment revenue				
External customers	359,146,145	209,595	—	359,355,740
Internal customers	—	2,912,671	(2,912,671)	—
Total revenue	359,146,145	3,122,266	(2,912,671)	359,355,740
Operating profit	18,720,841	1,503,935	—	20,224,776
Interest income	1,095,777	111,686	(111,136)	1,096,327
Interest expense	(2,707,552)	(108)	111,136	(2,596,524)
Equity accounted earnings	339,223	—	—	339,223
Profit before tax	17,448,289	1,615,513	—	19,063,802
Tax expense	(4,632,994)	(674,622)	—	(5,307,616)
Segment assets	151,603,731	39,208,548	—	190,812,279
Segment liabilities	(67,167,781)	(6,582,601)	—	(73,750,382)
Net segment assets	84,435,950	32,625,947	—	117,061,897
Depreciation charge for the year	3,992,820	997,909	—	4,990,729
Capital expenditure	11,505,876	2,057,022	—	13,562,898
Number of employees	1,755	—	—	1,755

Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2025

25. SEGMENTAL ANALYSIS (continued)

25.2 Geographical Information

The Group's trading operations are entirely housed in Zimbabwe. The Botswana Milling and Produce Company has no trading activities and holds equity worth US\$ 1,960,844 (2024: US\$1,924,568). As such no further geographical information has been presented. Red Seal Manufacturers has no trading activities.

26. EVENTS AFTER THE REPORTING DATE

Final dividend declaration

The Board is pleased to declare a final dividend of US\$2.95 cents per share (2024:US\$3.29 cents per share) in respect of all ordinary shares of the Company. This dividend is in respect of the financial year ended 30th June 2025 and will be payable to all shareholders of the Company registered around mid-November.

27. GOING CONCERN

The Directors have assessed the ability of the Group to continue as a going concern and believe that the preparation of these financial statements on a going concern basis is appropriate.

Company Statement of Directors' Responsibility

for the year ended 30 June 2025

The Directors of the Company are required by the Zimbabwe Companies and Other Business Entities Act (Chapter 24:31) to maintain adequate accounting records and to prepare financial statements that present a true and fair view of the state of affairs of the Company at the end of each financial year and of the profit and cash flows for the year. In preparing the accompanying financial statements, IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB) have been followed. Suitable accounting policies have been used and consistently applied, and reasonable and prudent judgements and estimates have been made.

The principal accounting policies of the Company are consistent with those applied in the previous year and conform to IFRS Accounting Standards (IFRS).

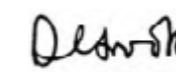
The Directors have satisfied themselves that the Company is in a sound financial position and has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they are satisfied that it is appropriate to adopt the going concern basis in preparing the financial statements.

The Board recognises and acknowledges its responsibility for the Company's systems of internal financial control. The Company maintains internal controls and systems that are designed to safeguard its assets, prevent and detect errors and fraud and ensure the completeness and accuracy of its records. The Company's Audit Committee has met the external auditors to discuss their reports and the results of their work, which includes assessments of the relative strengths and weaknesses of key control areas.

The financial statements for the year ended 30 June 2025, which appear on pages 127 to 128 have been approved by the Board of Directors and are signed on its behalf by:



E.I. Manikai
Chairman
Harare
24 September 2025



M. Lashbrook
Chief Executive Officer

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Independent Auditor's Report

On the Audit of Separate Financial Statements

To the Shareholders of National Foods Holdings Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the separate financial statements of National Foods Holdings Limited ("the Company"), set out on **pages 127 to 128**, which comprise the separate statement of financial position as at 30 June 2025, and the notes to the separate financial statements, including a summary of material accounting policy information.

In our opinion, the separate financial statements present fairly, in all material respects, the financial position of the Company as at 30 June 2025 in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and in the manner required by the Companies and Other Business Entities Act (Chapter 24:31).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Separate Financial Statements section of our report. We are Independent of the Company in accordance with the ethical requirements, that are relevant to our audit of separate financial statements in Zimbabwe. We have fulfilled our ethical responsibilities in accordance with these requirements and the IESBA code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The directors are responsible for the other information. The other information comprises the Company Statement of Directors' Responsibility, as required by the Companies and Other Business Entities Act (Chapter 24:31), which we obtained prior to the date of this auditor's report. The other information does not include the separate financial statements and our auditor's report thereon.

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

In connection with our audit of the separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the separate financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independent Auditor's Report (continued)

Report on the Audit of the Financial Statements (continued)

Responsibilities of the directors for the Separate Financial Statements

The directors are responsible for the preparation and fair presentation of the separate financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies and Other Business Entities Act (Chapter 24:31) and for such internal control as the directors determine is necessary to enable the preparation of separate financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

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

Independent Auditor's Report (continued)

Report on the Audit of the Financial Statements (continued)

Report on Other Legal and Regulatory Requirements

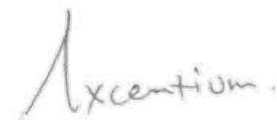
In fulfilment of the requirements of Section 193 of the Companies and Other Business Entities Act (Chapter 24:31) ("the Act"), we report to the shareholders as follows:

Section 193(1) (a)

The separate financial statements of the Company are properly drawn up in accordance with this Act so as to give a true and fair view of the state of the Company's affairs at the date of the separate financial statements for the financial year ended 30 June 2025.

Section 193(2)

We have no matters to report in respect of the Section 193(2) of the Act.



Axcentium
Per: Lawrence Nyajeka
Partner
Registered Auditor
PAAB Practice Certificate Number: 0598

Harare, Zimbabwe
25 September 2025

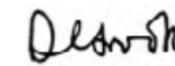
Company Statement of Financial Position

as at 30 June 2025

	Note	2025 US\$	2024 US\$
ASSETS			
Non-current assets			
Investment in subsidiaries	D	7,981,742	7,981,742
Total assets		7,981,742	7,981,742
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital		628,071	682,360
Distributable reserves	E	7,297,741	7,297,741
Treasury shares	C	55,930	1,641
Total equity		7,981,742	7,981,742



E.I. Manikai
Chairman
Harare
24 September 2025



M. Lashbrook
Chief Executive Officer

Notes to the Company Financial Statements

for the year ended 30 June 2025

A. Corporate information

The Company and its subsidiaries are incorporated in Zimbabwe except for Botswana Milling and Produce Company (Proprietary) Limited and Red Seal Manufacturers (Proprietary) Limited which are incorporated in Botswana. The Company is a dormant entity which comprises of the investments (see Note D).

B. Basis of Preparation

The consolidated financial statements are in compliance with IFRS Accounting standards as issued by the International Accounting Standards Board (IASB). The accounting policies are similar to those applied in the Group's consolidated financial statements. The Company's financial statements have been prepared for inclusion in the Group's annual report, wherein the Group's consolidated financial statements have been presented, in order that it may be presented together with the consolidated financial statements at the Group's annual general meeting as required by Section 186 of the Companies and Other Business Entities Act (Chapter 24:31). As a result, the Company statement of financial position may not be suitable for any other purpose if read in isolation.

The Company is a dormant entity. As a result, there is no statement of comprehensive income and statement of cashflows to present.

Statement of changes in equity

The movement in share capital and treasury shares relates to a reallocation of amounts for shares bought back by the Company. There were no other changes to equity.

C. Summary of material accounting policies and other explanatory notes

The summary of material accounting policies and other explanatory notes relevant to the Company statement of financial position are similar in all material respect to those applied to the Group's consolidated financial statements.

D. Investment in subsidiaries

The Investment is an interest in National Foods Limited, National Foods Properties Limited, Botswana Milling & Produce Company (Proprietary) Limited and Dormant Companies.

E. Distributable reserves

The distributable reserves arose from the conversion of subsidiary US\$ equity to ZW\$ reporting currency in 2019.

F. Going Concern

The Directors have assessed the ability of the Company to continue as a going concern and believe that the preparation of these financial statements on a going concern basis is appropriate.

G. Company transactions recognised in intermediary holding company, National Foods Limited

The Company has transactions relating to dividends and share buy backs that have been administered by its 100% owned subsidiary, National Foods Limited. These have not been reflected in these company financial statements as the substance is that the company has not handled them. Refer to Group statement of changes in equity for further details on these two transactions.

Shareholders' Analysis

Shareholding	No of shareholders	% of holders	Issued Shares	% of shares
As at 30 June 2025				
1 - 1000	595	66.33%	170,997	0.27%
1,001 - 10,000	230	25.64%	700,061	1.11%
10,001 - 50,000	52	5.80%	1,078,967	1.72%
50,001 - AND OVER	20	2.23%	60,857,055	96.90%
Total	897	100.00%	62,807,080	100.00%
Shareholders				
Bank And Nominees	33	3.68%	221,189	0.35%
Deceased Estates	7	0.78%	8,322	0.01%
External Companies	1	0.11%	25,618,474	40.79%
Insurance Companies/Societes	2	0.22%	1,467	0.00%
Pension Fund	72	8.03%	1,383,211	2.20%
Resident Individuals	566	63.10%	531,277	0.85%
Non Residents	72	8.03%	117,539	0.19%
Investment,Trusts And Companies	144	16.05%	34,925,601	55.61%
Total	897	100.00%	62,807,080	100.00%

As at 30 June 2024	No of shareholders	% of holders	Issued Shares	% of shares
As at 30 June 2024				
1 - 1000	708	60.62%	209,300	0.31%
1,001 - 10,000	325	27.83%	1,091,581	1.60%
10,001 - 50,000	99	8.48%	2,144,478	3.14%
50,001 - and over	36	3.08%	64,790,633	94.95%
Total	1,168	100.00%	68,235,992	100.00%
Shareholders				
Bank And Nominees	83	7.11%	1,286,208	1.88%
Deceased Estates	7	0.60%	8,322	0.01%
External Companies	3	0.26%	25,618,665	37.54%
Insurance Companies/Societes	6	0.51%	2,662,792	3.90%
Pension Fund	186	15.94%	4,402,414	6.45%
Resident Individuals	648	55.53%	712,011	1.04%
Non Residents	79	6.77%	119,318	0.17%
Investment,Trusts And Companies	155	13.28%	33,426,262	48.99%
Total	1,168	100.00%	68,235,992	100.00%

MAJOR SHAREHOLDERS

The top ten shareholders of the Company as at 30 June	2025 No of Shares	% of Total	2024 No of Shares	% of Total
Innscor Africa Limited	25,618,474	40.79%	25,618,474	37.54%
Tiger Foods Brands Limited - NNR	25,618,474	40.79%	25,618,474	37.54%
National Foods Workers' Trust (Private) Limited	6,516,464	10.38%	6,516,464	9.55%
Old Mutual Life Ass Co Zim Ltd	1,894,660	3.02%	2,554,617	3.74%
Stanbic Nominees (Private) Limited	582,816	0.93%	1,940,031	2.84%
Zimbabwe Electricity Ind Pension Fund	195,511	0.31%	195,511	0.29%
Econet Wireless Zim Nominee	181,160	0.29%	181,160	0.27%
Motor Industry Pension Fund	136,980	0.22%	164,295	0.24%
Datvest Nominees (Pvt) Ltd	135,854	0.22%	83,839	0.12%
CBZ Group Pension Fund-Datvest	96,154	0.15%	96,154	0.14%

Notice Of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Fifty Sixth Annual General Meeting of National Foods Holdings Limited (the 'Company' or 'National Foods') is to be held at National Foods Limited, 10 Stirling Road, Workington, Harare on Tuesday, 18th November 2025 at 08.30 am, for the purpose of transacting the business below:

ORDINARY BUSINESS

Financial Statements

1. To receive, consider, approve and adopt the Financial Statements and Reports of the Directors, including in respect of Corporate Governance, and the Auditors for the financial year ended 30 June 2025.

Directorate

2. To re-elect Directors by individual resolutions in terms of section 201 of the Companies and Other Business Entities Act [Chapter 24:31].

To elect the following Director, Mr. Godfrey Gwainda, who retires by rotation in terms of the Articles of Association of the Company, and being eligible, offers himself for re-election.

Mr. Godfrey Gwainda is a Chartered Accountant with over twenty years of experience in accounting and finance. Godfrey completed his articles of clerkship with KPMG and qualified as a Chartered Accountant in 2000 and is registered as a Public Accountant. In September 2001, he joined Innscor and has held a number of financial and managerial positions. In January 2015, Godfrey was appointed to the main Board of Innscor as Group Financial Director. Godfrey is a member of the Innscor Group's Executive Committee and chairs the Finance and Investment Committee. Godfrey holds a Bachelor of Accountancy (Honours) from the University of Zimbabwe, a Bachelor of Accounting Science Honours Degree from the University of South Africa, and an MBA with the Henley Business School at the University of Reading.

To elect the following Director, Mr. Todd Moyo, who retires by rotation in terms of the Articles of Association of the Company, and being eligible, offers himself for re-election.

Mr. Todd Moyo is a Chartered Accountant by profession being a Fellow Member of the Institute of Chartered Accountants of Zimbabwe (ICAZ) as well as an ordinary member of the South African Institute of Chartered Accountants (SAICA) after completing his Bachelor of Accountancy (Hon.) degree at the University of Zimbabwe. He also did an Executive Development Program (EDP) at the University of Cape Town Business School. Mr. Moyo has been the Chief Executive Officer of Datlabs (Private) Limited and was previously the Chairman of the same company. He has also recently been a Non-Executive Chairman of PPC Zimbabwe until August 2024. Mr Moyo accepted the position of Delta Corporation Chairman effective 1st November 2024. Mr. Moyo has extensive experience in manufacturing, distribution, healthcare services, property, food packaging, textile, transport, education, retailing, cement and financial services (banking and insurance), Information Technology and corporate action activities in various corporates in Zimbabwe and South Africa. He has previously served on various boards of listed and unlisted companies including their various Committees.

Directors' Fees

3. To approve Directors' remuneration for the financial year ended 30 June 2025.

Auditors' Fees and Appointment

4. a) To approve the fees of the Auditors for the financial year ended 30 June 2025.
b) To appoint Axcantium, previously Deloitte & Touche Zimbabwe as Auditors for the Company, who have been Auditors for 5 years.

Special Business

Approval of Share Buy Back

5. To consider, and if deemed appropriate to pass with or without amendment, the following special resolution:- That the Company be authorised in advance, in terms of the Companies and Other Business Entities Act (Chapter 24:31), to purchase its own shares, upon such terms and conditions and in such amounts as the Directors of the Company may from time to time determine, which terms and conditions and amounts are specified as follows:-

i) This Authority shall:

- a) Expire on the date of the Company's Next Annual General Meeting; and
- b) Be a renewable mandate; and

ii) Acquisitions shall be limited to the following class and aggregate maximum number of shares:

- a) Class of Shares: Ordinary
- b) Aggregate maximum number of shares to be purchased: 10% (ten percent) of the total number of Ordinary Shares in issue in the financial year of the repurchase.

iii) The share prices at which such ordinary shares may be acquired will be based on the net asset value of the company as at the end of the latest reporting quarter.

iv) If during the subsistence of this resolution, the Company is unable to declare and pay a cash dividend, then this resolution shall be of no force and effect.

(NOTE: In terms of this resolution, the Directors are seeking authority to allow use of the Company's available cash resources to purchase its own shares from shareholders in terms of the regulations of the Companies and Other Business Entities Act, for treasury purposes. The Directors will only exercise the authority if they believe that to do so would be in the best interests of shareholders generally. In exercising this authority, the Directors will duly take into account following such repurchase, the ability of the Company to be able to pay its debts in the ordinary course of business, the maintenance of an excess of assets over liabilities, and for the Company the adequacy of ordinary capital and reserves as well as working capital.)

Approval of Loans to Executive Directors

6. To resolve the following ordinary resolution, with or without amendment:
"That the Company be and is hereby authorized to make any loan to any Executive Director or to enter into any guarantee or provide any security in connection with a loan to such Executive Director for the purpose of enabling him to properly perform his duty as an officer of the Company as may be determined by the Remuneration Committee of the Board of Directors, provided that the amount of the loan or the extent of the guarantee or security shall not exceed the annual remuneration of that Director."

Directors Authorised To Give Effect To Resolutions

7. To resolve the following ordinary resolution, with or without amendments:
"That the Directors be and are hereby authorised to do any and all such things as may be necessary to give effect to the above resolutions."

Any Other Business

8. To transact any other business competent to be dealt with at an Annual General Meeting.

APPOINTMENT OF PROXY

9. In terms of the Companies and Other Business Entities Act (Chapter 24:31), a member entitled to attend and vote at a meeting is entitled to appoint a proxy to attend and vote on a poll and speak in his stead. Proxy forms should be forwarded to reach the office of the Company Secretary and/or First Transfer Secretaries 48 (forty-eight) hours before the commencement of the meeting.

NOTES:

Shareholders are advised to update their contact details with the following contact:

First Transfer Secretaries (Private) Limited
1 Armagh Avenue
Eastlea, Harare
Telephone: +263 242 782869/72
Email: info@fts-net.com

In order to ensure full consultations and shareholder participation, all queries/questions must be submitted to the Company Secretary and/or transfer secretaries 48 hours before the meeting. All submitted questions will be read out and answered during the meeting by the Chairman and the Directors.



BY ORDER OF THE BOARD
LEIGH CAROLINE HOWES
GROUP LEGAL COUNSEL AND COMPANY SECRETARY

10 STIRLING ROAD
WORKINGTON
HARARE

29 OCTOBER 2025

Corporate Information

The principal operating company of National Foods Holdings Limited is National Foods Limited, which is incorporated in and operates throughout Zimbabwe.

REGISTERED OFFICE (Headquarters)

Gloria House
10 Stirling Road
Workington
P. O. Box 269
Harare

TRANSFER SECRETARIES

First Transfer Secretaries (Private) Limited
P. O. Box 11
Harare

AUDITORS

Axcentium
West Block, Borrowdale Office Park
Borrowdale Road
Harare

PRINCIPAL BANKERS

Stanbic Bank Zimbabwe Limited
59 Samora Machel Avenue
Harare

LEGAL ADVISER

Dube, Manikai and Hwacha Legal Practitioners
4 Fleetwood Rd,
Alexandra Park
Harare

LEGAL ADVISER

Calderwood Bryce Hendrie and Partners
Central Africa House
Cnr. Jason Moyo and Leopold Takawira Avenue
Bulawayo



NATIONAL FOODS HOLDINGS LIMITED ANNUAL REPORT 2025