National Foods
Holdings Limited

ANNUAL REPORT 2024

Enhancing the Consumer Experience

At NFL, we are dedicated to creating innovative and sustainable products that nourish our nation. We believe in building strong relationships with our key stakeholders, consumers, and the broader communities we serve.

Our journey spans Zimbabwe and selected regional markets, where we cherish the unwavering trust our consumers place in us. We are deeply grateful for their support and remain committed to our legacy of nourishing communities throughout the region. By forging strong partnerships and prioritizing consumer needs, we aim to make a significant difference in their lives.

To reaffirm our commitment to future generations, we are enhancing consumer experiences by investing in advanced equipment and establishing our own manufacturing facilities for high-demand products. This includes the commissioning of a state-of-the-art Flour mill in Bulawayo, plus an upgrade of our innovative Cereals plant. We are also excited to have recently commissioned a state of the art Pasta plant ,the first large scale Pasta plant in Zimbabwe . Finally, 2024 saw the commissioning of a new Biscuit line, which will mean we can extend our repertoire of Biscuits products.

Through these efforts, we are devoted to serving our communities with respect and positively impacting their well-being and long-term prosperity.

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.

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

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 organisational chart.

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

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

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

Competitive
We have a strong desire to succeed.

Purposeful
We have an aim.

Contents

About Our Report

National Foods Holdings Limited, a company listed on the Victoria Falls Stock Exchange (VFEX), is proud to present the annual report for the year ended 30 June 2024. The report presents the Group's financial and sustainability performance, demonstrating how value has been created for the varied stakeholders during the year under review.

The contents of this report are intended to give stakeholders insight into noteworthy aspects of the National Foods business, as well as the industry within which it participates. The report will present the information in a clear and transparent manner to reflect our performance.

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. 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:

- Listing Requirements of the Victoria Falls Stock Exchange ("VFEX").
- Global Reporting Initiatives ("GRI") Standards 2021
- The International Financial Reporting Standards (IFRS) Sustainability Standards
- 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 and other relevant ISO standards.
- 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.
- Business Reporting on Sustainable Development Goals ("SDGs"): Guide on GRI and United Nations Global Compact ("UNGC").

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 Deloitte & Touché Chartered Accountants Zimbabwe in accordance with International Standards of Auditing ("ISA"). The independent auditor's report on the financial statements is contained on page 121 to 124.

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. As we align with VFEX Listing Requirements (VFEX Practice Note 2 on Sustainability Information and Disclosure), 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.

Black Crystal Consulting, an independent subject matter expert, performed a review of the sustainability information recorded in FY2024 whereby actual performance was validated through interviews, site visits and data inspections across the Group. This ensured that all relevant considerations have been addressed and that the report complies with reporting requirements.

The report has been prepared with reference to GRI Standards 2021. A GRI Content Index is contained on page 175.

Reporting Currency

All financial data in this report is presented in United States Dollars which is the Group's functional currency.

The Group witnessed a steady increase in the use of foreign currency across the business and, in accordance with the requirements of IAS 21 (The Effects of Changes in Foreign Exchange Rates), assessed its functional currency.

Following the completion of this assessment, the Group has maintained a USD functional currency.

Restatements

The Group did not make any restatement of data previously published.

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, by email leigh.howes@natfood.co.zw

Mr Edwin Manikai
Independent, Non-Executive Chairman

Mr Michael Lashbrook
Chief Executive Officer

Overview

History of Our Group

National Foods has a long history stretching back to the early parts of the last century, when two families, the Palte family, and the Harris family, started separate businesses, which eventually came together as one. The Company has remained resilient and committed to feeding the nation since its corporate establishment in 1920.

1908

J. Palte & Co. established in Bulawayo and traded as Millers & Merchant.

1920

Harris Brothers established in Bulawayo and owned The Red Seal Brand.

Mark Harris Manufacturing established the iconic **Gloria Brand.**

Mark Harris Manufacturing renamed Rhodesian Milling and Manufacturing Company.

1952

Tiger Oats (now Tiger Brands) acquired majority shareholding in J. Palte and Co.

1975

Rhodesian Milling and Manufacturing Company merged with Palte Harris Industrial Holdings to form National Foods Holdings Limited.

1984

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 from the Company, the Trust has acquired **9.53% shareholding** over the years.

2003

Innscor acquired shareholding in National Foods Holdings. Today Innscor holds a **37.45% share.**

2011

Tiger Brands raised its holding in National Foods by acquiring 11% from Innscor Africa. Today Tiger Brands holds a **37.45% share.**

2013

National Foods started providing resources to support farming and continues to this day.

2016

The Company acquired **40% of Pure Oil** an edible oil producer under the ZimGold Brand.

National Foods acquired Breathaway Food Caterers Limited, a snack and biscuit manufacturing company with ZapNax, Wings, King Kurls, and Iris Brands.

2018

National Foods Logistics (Natlog) was created as a joint venture partnering Equity Distribution Services. DGA became a strategic partner in 2022 after CTC approval.

2019

In 2019 National Foods purchased a world class extrusion line from Buhler heralding the Company's entrance into the breakfast cereals category.

2020

National Foods celebrates **100 years** of feeding the nation.

2021

National Foods launches Nutri Active Instant Cereals using the world class Buhler extrusion machinery.

Equity exited from Natlog

2022

National Foods disposed its **40% stake** in Pure Oil Industries.

DGA became a strategic partner of National Foods in Natlog after CTC approval.

2023

Phase 2 of the highly advanced Cereals plant was successfully launched, opening up new avenues for innovation.

Simultaneously, the new Bulawayo Flour Mill was commissioned during this period, marking another significant achievement.

2024

Commissioned a state of the art Pasta Plant, the first large scale pasta plant in Zimbabwe, plus a new biscuit line, which enables extension of our repertoire of biscuits products.

Group Structure

As a prominent player in the local manufacturing sector, National Foods Holdings Limited continues to provide accessible, high quality food and stockfeed options that are foundational to the basic sustenance of the Zimbabwean market and the region. Beyond providing core basic products, the Company's branded portfolio has evolved to enhance the consumer experience by expanding into nutritious, value-added offerings.

100%
National Foods Limited
Principal Operating Company

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

50%
National Foods Logistics (Private) Limited
Logistics

50%
Afro-Blaze (Private) Limited
Distributor

100%
National Foods Properties Limited
Principal Operating Company

100%
Clairedelune Investments (Private) Limited
Property Owning Company

100%
Botswana Milling & Produce Company (Proprietary) Limited
Investment Company

100%
Redseal Manufacturers (Proprietary) Limited
Property Owning Company

100%
Dormant Companies

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

Our Products and Brands

National Foods' commitment to quality is the foundation upon which it has built a trusted brand reputation. However, it is the Company's strategic investments in developing innovative, nutritious, and convenience-driven products that have truly enhanced the consumer experience. By anticipating evolving needs and preferences, National Foods has transformed from a provider of core food staples into a trusted partner in fulfilling the diverse needs of its consumers.

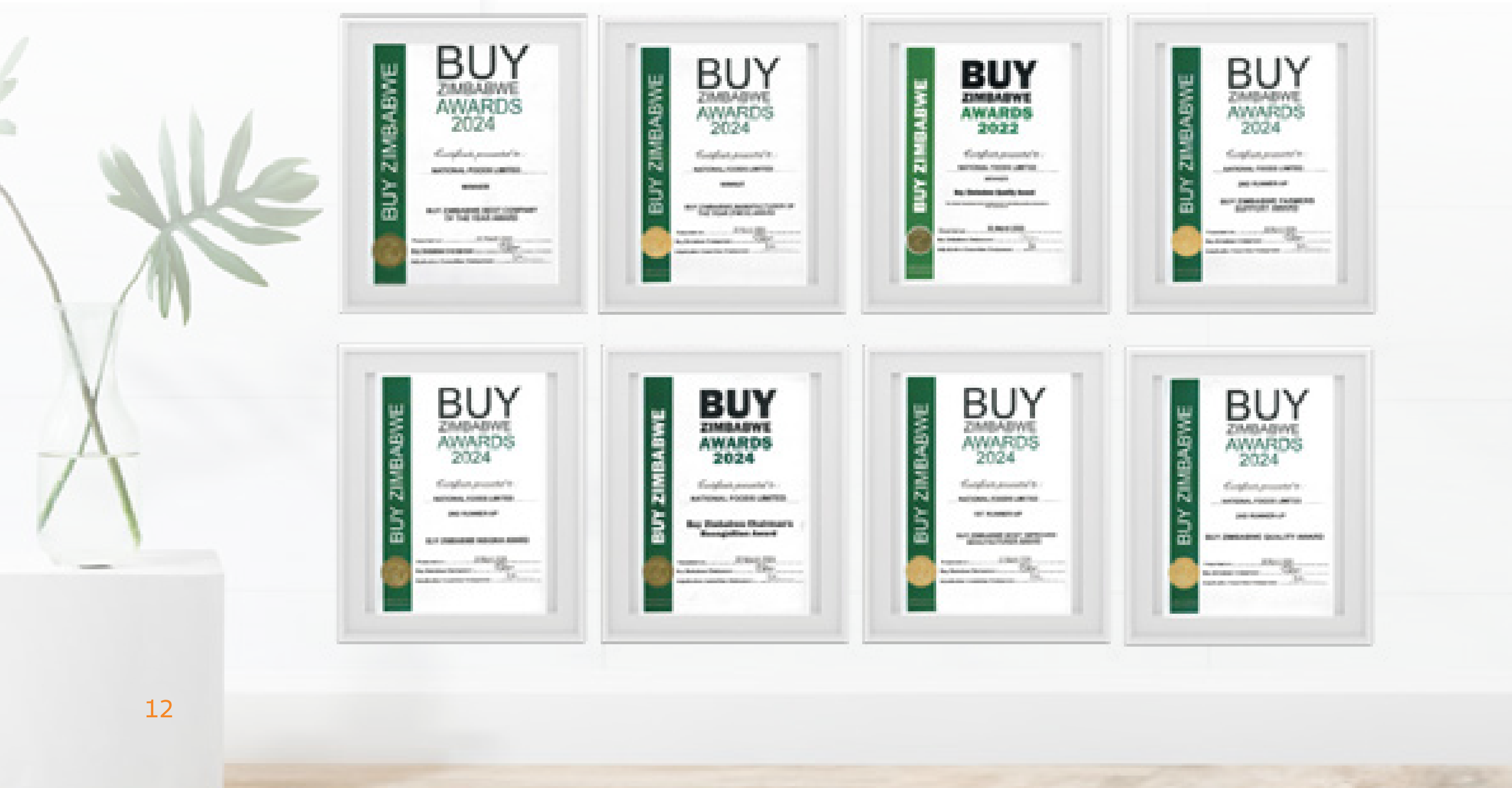
National Foods Holdings Limited operates across eight distinct business units as follows:

Maize	Flour	Stockfeeds	Downpacked	Pasta	Cereals, Culinary, Baby Food	Snacks	Biscuits
Red Seal	Gloria Trusted Since 1920.	National Foods Stockfeeds	Ma-Hat-Ma Rice	Better Buy A Must Buy!	Nutri Active	Allegros Popticorn	Iris Share the Treat
Pearlenta	Red Seal	Red Seal	Red Seal	Primo	Red Seal	King	
Better Buy A Must Buy!	Better Buy A Must Buy!	Kenergy	Better Buy A Must Buy!		Better Buy A Must Buy!	ZapNax	
Smart Carbs		BowWow	Arrow		Mama Africa	Wingz	
Pearlenta Multi-Grain		animax Superior				Shooters	

Awards and Recognition

National Foods offers products and services that evolve with consumer demands and contribute to a sustainable environment. We are honoured to have received recognition from our customers and leading business associations nationwide. The following are our most recent awards.

Presented By	2024 Award
Buy Zimbabwe	Manufacturer of the Year Best Company of the Year 1st Runner Up - Most improved Manufacturer of the Year Award 2nd Runner Up - Farmers Support Award
Buy Zimbabwe	2nd Runner Up - Buy Zimbabwe Insignia Award 2nd Runner Up - Buy Zimbabwe Quality Award Chairman's Award for supporting the Buy Zimbabwe Initiative
Zimbabwe International Trade Fair Company (ZITF)	Bronze Medal - 3rd Best Zimbabwean Exhibit under the Agricultural and Irrigation equipment
Confederation Of Zimbabwe Retailers & Wholesalers	Top Retail/Wholesale Supplier of the Year Most Improved Supplier of the Year
Corporate Shared Values	Best CSV Investment Award in recognition of its US$12 million investment in contract farming for the 2023 farming season
ESG Network Zimbabwe	Outstanding Contribution to Community Empowerment & Development
Top Companies Survey 2024	5th Position - Top Company of the year



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 People Managers Zimbabwe (IPMZ)
- Marketers Association of Zimbabwe (MAZ)
- Institute of Chartered Accountants Zimbabwe (ICAZ)
- Zimbabwe Poultry Producers Associations (ZPA)
- Stockfeed 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

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)
HALAAL (National Halaal Association of Zimbabwe (NHAZ)

Certifications and Standards

International Standards
- ISO 9001: 2015 Quality Management System Standards Association of Zimbabwe (SAZ)
- 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, recognised by the GFSI (Global Food Safety Initiative)
- ISO 45000 Occupational Health and Safety

Performance Review

Performance Highlights

Financial Highlights

Revenue US$

359.3mn

US$343.6mn | FY2023

+5% Increase

Operating Profit US$

20.2mn

US$14.1mn | FY2023

+43% Increase

Profit After Tax US$

13.8mn

US$7.6mn | FY2023

+83% Increase

Shareholder's Equity US$

117.0mn

US$106.6mn | FY2023

+10% Increase

Total Assets US$

190.8mn

US$185.3mn | FY2023

+3% Increase

Dividend Per Share (US$ cents)

6.71

4.05 US$ cents | FY2023

+66% Increase

	2024	2023
Share Peformance (US$ cents)		
Market price per share	150	200
Basic Earnings per share	20.11	11.01
Ordinary Dividend per share (US$ cents)	6.71	4.05
Number of shares in issue	68,235,992	68,400,108
Dividend Recognised and paid during the year	3,125,885	6,386,801

Sustainability Highlights

Environmental Performance

Electricity 'MWh'

33,692

31,940 | FY2023

6% Increase

FY2022: 54,150 | FY2021: 31,765

Water 'M³'

153,482

277,527 | FY2023

44% Decrease

FY2022: 203,876 | FY2021: 355,327

Waste 'tonnes'

356tonnes

496 | FY2023

28% Decrease

FY2022: 537 | FY2021: 625

Social Performance

Employees 'Count'

1,755

1,762 | FY2023

0% Decrease

FY2022: 1,515 | FY2021: 1,512

Work related injuries 'count'

4

1 | FY2023

300% Increase

FY2022: 12 | FY2021: 7

Safety training 'hours'

93

173 | FY2023

46% Decrease

FY2022: 100 | FY2021: 108

Chairman's Statement

Directors' Responsibility

The Holding Company's Directors are responsible for the preparation and fair presentation of the Group's audited annual financial statements. These audited Group consolidated financial statements are presented in accordance with the disclosure requirements of the Victoria Falls Stock Exchange ("VFEX") Listing Requirements and, except where stated, 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].

Chairman's Statement (continued)

Except where stated, the principal accounting policies applied in the preparation of these audited 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 2023, on the Group's audited financial statements.

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 Zimbabwe 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, so far, paid USD 3.38 million under the "pay now, argue later" principle. The legislative gaps giving rise to differences in interpretations remain.

Shareholders are further advised that the above update on uncertain tax positions has been issued prior to the Finance Bill, 2024 becoming law; this Bill is currently in the Senate for debate, and might have a material effect and consequences of the tax position of the Group.

Sustainability Reporting and Practices

Sustainability principles are embodied in the Group's strategy. The Group remains committed to sustainable development by mitigating and managing the environmental and social risks of operations and the environment in which the Group operates. Through the ongoing application of the combination of ISO 26000 and GRI Standards, the Group is confident that it will continue to meet the sustainability disclosure requirements of all its stakeholders. The Group continues to strengthen its sustainability practices and values across its operations, with continuous improvement, to ensure long-term business success.

Operating Environment and Overview

The operating environment remained fluid, dynamic and challenging during the year. It was disappointing that the Value Added Tax ("VAT") status of many basic foods (including maize meal, flour, stockfeed and salt) was changed early in 2024 from "Zero-Rated" to "Exempt". This change meant that although VAT is not charged when selling the product, the manufacturer can no longer claim the VAT input costs incurred in the production of these goods. This change in VAT status has caused a substantial and direct growth of around 6% in the Group's all-in monthly operating costs. The Group continues to apply every effort to avoid increasing selling prices, with a strong focus on consistently producing affordable, quality products for consumers.

The final quarter of the year under review saw currency reform measures instituted by the monetary authorities through the introduction of a new structured currency, the Zimbabwe Gold ("ZWG"). Notwithstanding these progressive steps to broaden the multi-currency basket, market liquidity in the form of access to local debt facilities and foreign exchange via the Willing Buyer, Willing Seller ("WBWS") platform remains severely constrained.

Chairman's Statement (continued)

Operating Environment and Overview (continued)

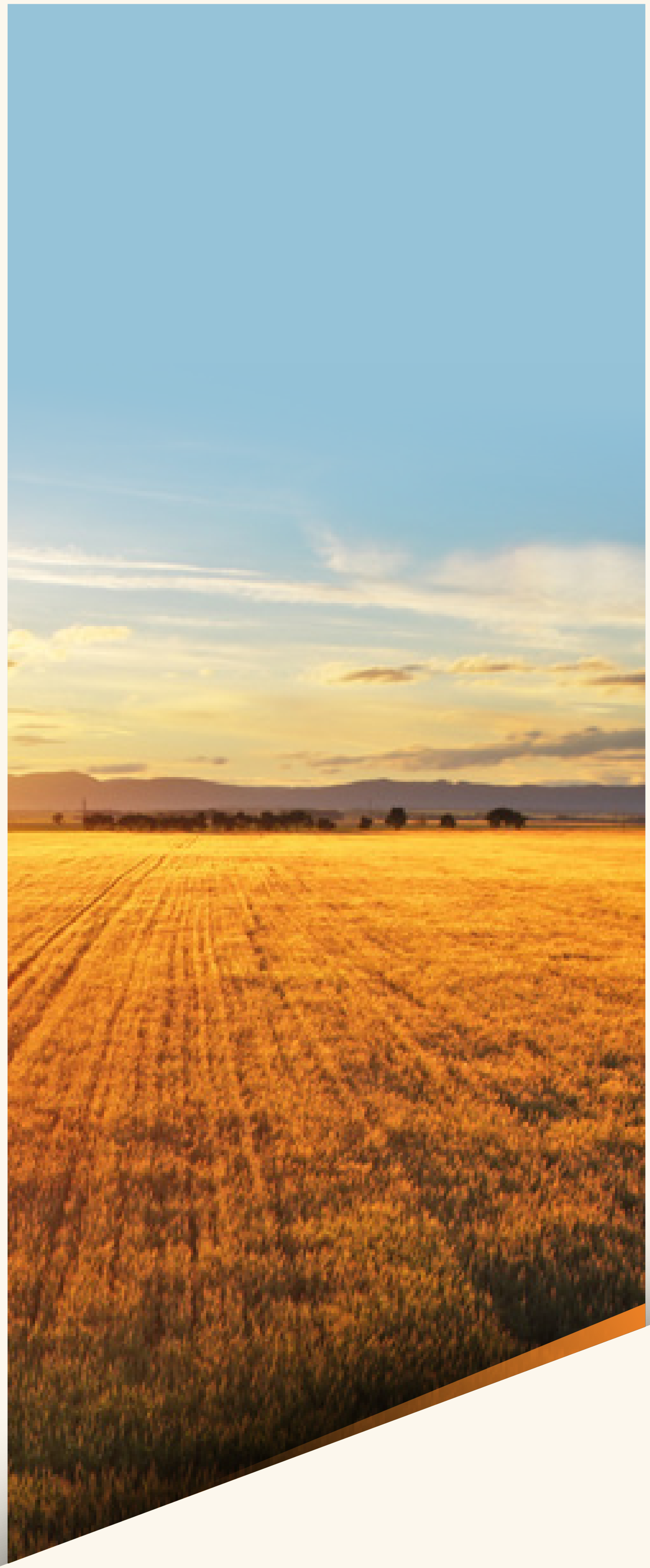
In addition, the market remains limited in its ability to transact with the ZWG, with many key commodities such as fuel, power, raw materials, as well as human capital and certain statutory payments, mostly requiring settlement in United States Dollars. Whilst the Group welcomes the addition of the ZWG to the multi-currency basket, the success of this initiative will be dependent on further supportive measures, which amongst other things, will allow users to seamlessly interchange between currencies; this will naturally result in greater market acceptance, and use, of the new local currency.

The 2023/2024 summer agricultural season was severely impacted by a devastating drought, as a result of the prevailing El Nino weather conditions. Harvests were generally poor across the sub-region, although South Africa did hold sufficient carry through stock from the preceding season to augment the requirements of neighbouring territories. The Group has secured a solid pipeline of white maize to cover the deficit period through to the next harvest, and does not anticipate any challenges in terms of maize meal availability during this period.

Pricing distortions in certain channels, most notably in formal retail, persisted throughout the year. These pricing distortions continue to cause significant trading complexities within the formal retail sector, and many consumers now choose to shop in the informal sector. It is hoped that an enduring solution to this longstanding problem can be found to the benefit of both the formal retail sector, as well as consumers.

The price of power increased considerably during the year, and this resulted in a substantial growth in the operating cost profile of the business. In an effort to ensure more consistent power at rates that support the mass production of low-margin basic commodities, the Group will be pursuing various solar power investments across its manufacturing sites in the period ahead.

Notwithstanding the dynamic and complex trading environment, consumer demand remained generally robust, and management continues to focus intensely on delivering exceptional quality products at the most efficient pricing points, in order to satisfy the needs of our valued consumers.



Chairman's Statement (continued)

Financial Performance

Total volumes for the current year under review at 585,000 tons, were 6% above those recorded in the prior year, with the growth emanating largely from the Maize and Stockfeed divisions. The strong performance in these divisions was offset by a decline in the Downpacking division, where raw material prices in the rice category increased substantially following the export ban on rice exports out of India, as well as the imposition of VAT on the product in the local market.

Revenue for the current year at USD 359.36 million was 5% ahead of that recorded in the prior year; the increase being largely in line with volume growth. Gross margin in absolute terms increased by 13% to USD 81.64 million, driven largely by procurement and operating efficiencies, which resulted in a 3% reduction in the bill of materials on a per ton basis over the prior year; average selling prices across the Group declined by 1% over the same period. This was a very positive outcome for the Group which allowed efficiency gains to be shared with consumers, and which in turn should impact positively on future volumes.

Disappointingly, the cost of sales improvement was largely offset by a 17% increase in operating costs over the prior year. Of this increase, almost half emanated from the combination of an increase in power costs and non-claimable VAT. The situation is even more concerning when taking account of the fact that VAT legislation was only changed mid-way through the financial year. The Group remains hopeful that the authorities will review and reconsider their position on the VAT status of basic products across the market, given the disproportionate impact this policy has on the poorest members of our community, who typically spend a higher portion of their income on basic foods.

Operating profit before depreciation, financial loss, interest, equity accounted earnings and tax for the current year was USD 24.34 million, 4% above the prior year. With the generally improved financial stability in the market, there was a material improvement in the financial income line, with a gain of USD 0.87 million being recorded in the current year as compared to the loss of USD 5.09 million in the prior year. There was also a significant reduction in net interest costs, which reduced by USD 3.21 million to USD 1.50 million in the current financial year; the prior year having contained extremely expensive local currency borrowings for a portion of that period. The Group's profit before tax increased by 95% over the prior year to USD 19.06 million; this was a pleasing overall result.

The Group's Statement of Financial Position remains in a healthy state. Working capital continued to be closely managed and increased only marginally to USD 29.88 million at year end, from USD 28.70 million in June 2023. Net debt closed the year at a moderate USD 7.38 million. Free cash generation for the current year under review was solid, providing good opportunities for future growth.

Operations Review

Flour Milling

Current year volumes were similar to those achieved in the prior year, with intensified competition and somewhat muted demand in the category. Pleasingly, there has been a recovery of volume momentum heading into the new financial year. The new state of the art flour mill in Bulawayo, which has been operating for just over a year, has delivered very pleasing results in terms of product quality and operating efficiencies.

Stockfeeds

Stockfeed volumes continued with the upward trend seen in recent years, growing 8% on prior year, largely driven by the poultry category, and to a lesser extent the dairy category.

The Group continues to progressively invest in enhancing efficiencies at its Harare Stockfeed facility, with improved production efficiencies and lower costs expected to be realised from further upgrades of the plant planned for 2025.

Maize Milling

Maize volumes grew 21% year on year, with volumes being driven by the lower local maize harvest, and the consequent reduced household maize stocks. The Pearlenta and business-to-business segments continue to grow steadily in line with the strategic plan of the Group.

Downpacking

Current year volumes in the Downpacking division, which primarily packs rice and salt, were disappointing, declining by 21% over the prior year. The decline was primarily driven by the ban on rice exports out of India, and the imposition of VAT on rice sales locally, both of which led to increased prices in the category, and as a result reduced demand.

Cereals

Current year volumes in the Cereals unit grew by 8% over the prior year. The division's portfolio continues to grow on the back of the strategy to offer a full range of breakfast cereals to the consumer; pleasingly, some of the new products introduced have started to make some in-roads in regional markets, albeit at low volumes at this point.

Chairman's Statement (continued)

Operations Review (continued)

Snacks

Volumes in the current year in this Division increased by 45% against the prior year, as additional production capacity enhancements were commissioned to support the growing demand for the popular "King" and "Zapnax" range of products. The production expansion programme for this division will continue into the forthcoming financial year.

Biscuits

Biscuit volumes in the current year were disappointing, declining by 23% compared to the prior year. The Group's new world-class biscuit line, which can produce a wide range of biscuits, was successfully commissioned in August 2024, and this represents an exciting growth opportunity for the category in the period ahead.

Pasta

The Group's new pasta line was commissioned in February 2024. This investment represents the first ever large-scale commercial pasta line to have been commissioned in Zimbabwe, and will result in the localisation of the production of pasta, a product which has typically been imported into the country.

The investment should be complementary to the strong recovery in local wheat production, and means that the country can potentially save substantial foreign currency by value-adding flour from locally-grown wheat. The new, locally produced product is being marketed under the "Better Buy" and recently launched "Primo" brands and initial market response to the quality of the product has been extremely positive.

Contract Farming

National Foods continues to keenly support the local contract farming of various cereal crops, principally maize, soya beans and wheat. The Group acts as the largest off-taker to the "A Growth" contract farming scheme. In terms of the current winter wheat crop, 4,540 hectares have been planted and it is expected that around 23,000 tons of wheat will be yielded from this programme.

Corporate Social Responsibility

The Group continues to play its vital role in supporting the communities in which it operates. Assistance, generally in the form of food donations, is provided to 49 institutions working with vulnerable communities across the 10 provinces of the country. These institutions include orphanages, special needs groups, vulnerable women and children, schools, hospitals, churches, wildlife and other national social support initiatives.

Chairman's Statement (continued)

Future Prospects

The Group has produced a pleasing set of results in a highly complex and challenging operating environment. In particular, the more established units have performed solidly. Focus in the coming year will be on the Group's recently introduced categories (cereals, biscuits and pasta) in particular, ensuring that targeted volume ambitions are achieved through offering products which are both relevant and appealing to consumers. The increase in operating costs which occurred in the financial year under review is concerning, and management will continue to drive cost and efficiency savings to maintain operating margins, avoiding price increases wherever possible.

Final Dividend

The Board is pleased to declare a final dividend of US3.29 cents per share (2023: US1.15 cents per share) payable in respect of all ordinary shares of the Company bringing the total dividend to US6.71 cents per share (2023: US4.05 cents per share). This dividend is in respect of the financial year ended 30 June 2024 and will be payable to all the shareholders of the Company registered at the close of business on the 11th of October 2024.

The payment of the final dividend will take place on or around the 8th of November 2024. The shares of the Company will be traded cum-dividend on the Victoria Falls Stock Exchange up to the market day of the 8th of October 2024 and ex-dividend from the 9th of October 2024.

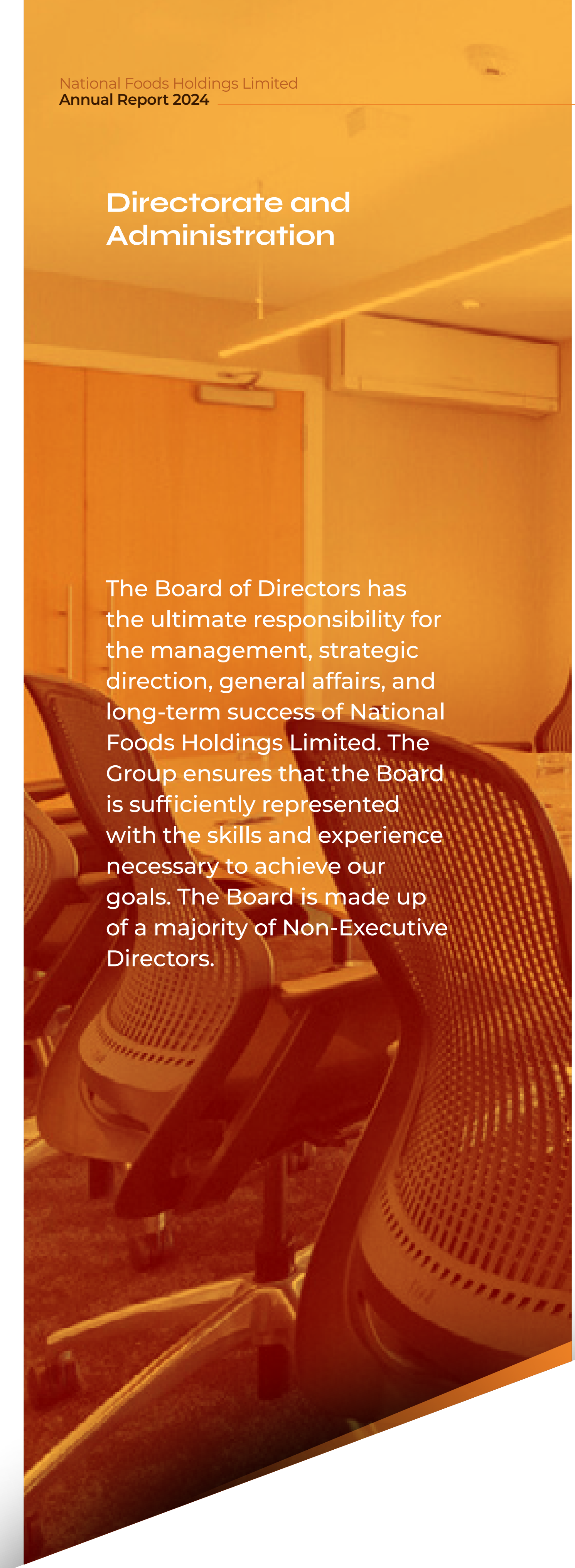
Acknowledgement and Appreciation

I would like to thank the National Foods team, very sincerely, for their considerable efforts over the last financial year in meeting the challenges of an extremely complex trading environment; I am also grateful to my fellow Board members for their ongoing input and wise counsel.

Finally, as a Group we once again extend our gratitude to our loyal customers for their on-going support.

E. I. Manikai
Independent, Non-Executive Chairman
26 September 2024

Directorate and Administration



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 2024, the following individuals constituted our Board:

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 38 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 is the current Chairman of the President's Advisory Council, 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.

Directorate and Administration (continued)

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 Capetown 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 recently been a Non-Executive Chairman of PPC Zimbabwe until 31st August 2024. Mr. Moyo is a Non-Executive Director of National Foods 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.

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.

Directorate and Administration (continued)

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.

NATIONAL FOODS HOLDINGS LIMITED

Directorate and Administration (continued)

Senior Management

Group Executive

Mr M. Lashbrook	Chief Executive Officer
Mr L. Nyandoro	Finance Director
Mr K. Murongazvombo	Sales Executive
Mrs A. Pawarikanda	HR Executive
Mrs L. C. Howes	Group Legal Counsel & Company Secretary

Corporate & Treasury

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

Division Management

Flour Milling

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

Maize Milling

Mr C. Nheta	Managing Executive
Mr L. Malunga	Finance Executive

Stockfeeds

Mr S. Viviers	Managing Executive
Mr T. Maphosa	Commercial and Finance Executive

Snacks

Ms A. Kambasha	Managing Executive
Mr O. Marufu	Finance Executive

Downpacked

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

Cereals, Culinary and Baby (CCB)

Mr W. Kapfupi	Managing Executive
Mrs C. Makokove	Finance Executive

Biscuits

Mrs S. Mamutse	Managing Executive
Mr P. Mashinga	Finance Executive

Pasta

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

Associate Companies

National Foods Logistics (Private) Limited

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

Afro-Blaze Private Limited

Mr H. Muzondiwa	Managing Executive
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. These are identified as the primary characteristics of good governance in the National Code of Corporate Governance for Zimbabwe.

Corporate 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.

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 closed 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. The Group and Business Units strategies are updated annually including detailed plans for action. Progress is reviewed regularly.

Corporate Governance (continued)

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	Members	Responsibilities
Audit and Risk Committee	**T. Moyo** (Chairman) G. Gwainda T. Govender J. Schonken (Alternate) T. Kruger (Alternate)	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 competency of committee members.
Remuneration Committee	**J. Schonken** (Chairman) T. Kruger G. Gwainda (Alternate) T. Govender (Alternate)	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.

Corporate Governance (continued)

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

Director	Main Board (Meetings)	Audit and Risk (Meetings)	AGM & EGM (Meetings)	Remuneration (Meetings)
E. Manikai (Appointed Jan 24)	4/5	3/3	—	—
M. Lashbrook	5/5	3/3	1/1	—
L. Nyandoro	5/5	3/3	1/1	—
T. Moyo	5/5	3/3	1/1	—
J. Schonken	5/5	3/3	1/1	2/2
G. Gwainda	5/5	3/3	1/1	2/2
T. Kruger (Appointed Nov 23)	4/5	2/3	1/1	2/2
T. Govender (Approinted Mar 24)	4/5	2/3	—	1/2
N. Doyle (Resigned Nov 23)	1/5	—	—	—
M. Naran (Resigned Feb 24)	2/5	1/3	—	1/2
Y. Maharaj (Resigned Feb 24)	2/5	1/3	—	1/2

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.

Risk Management (continued)

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.

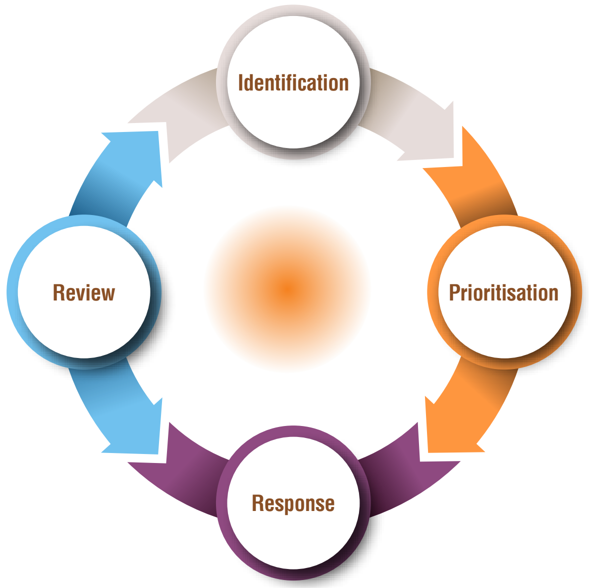
Risk Governance

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 our 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. The operating economic landscape continued to evolve at a highly dynamic rate. Of note was the launch of the structured currency (the ZWG and backed by gold) by the Reserve Bank (RBZ) Governor, Dr John Mushayavanhu on the 5th of April 2024, which was cautiously received by the market, with the main challenge being the lack of exchangeability. In the early months, the RBZ had commendably maintained a tight leach on liquidity, which has resulted in relative stable ZWG inflation. The lack of exchangeability, however, has resulted in the open market rates beginning to creep upwards which will stoke inflation. By September 2024, the gold-backed ZWG officially lost its value by 79.86% against the US$ providing evidence of inflation in the currency.

Risk Management (continued)

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.

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.

Risk Management (continued)

Instability in the Availability and Supply of Raw Materials and Utilities

a. 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.

b. 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 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.

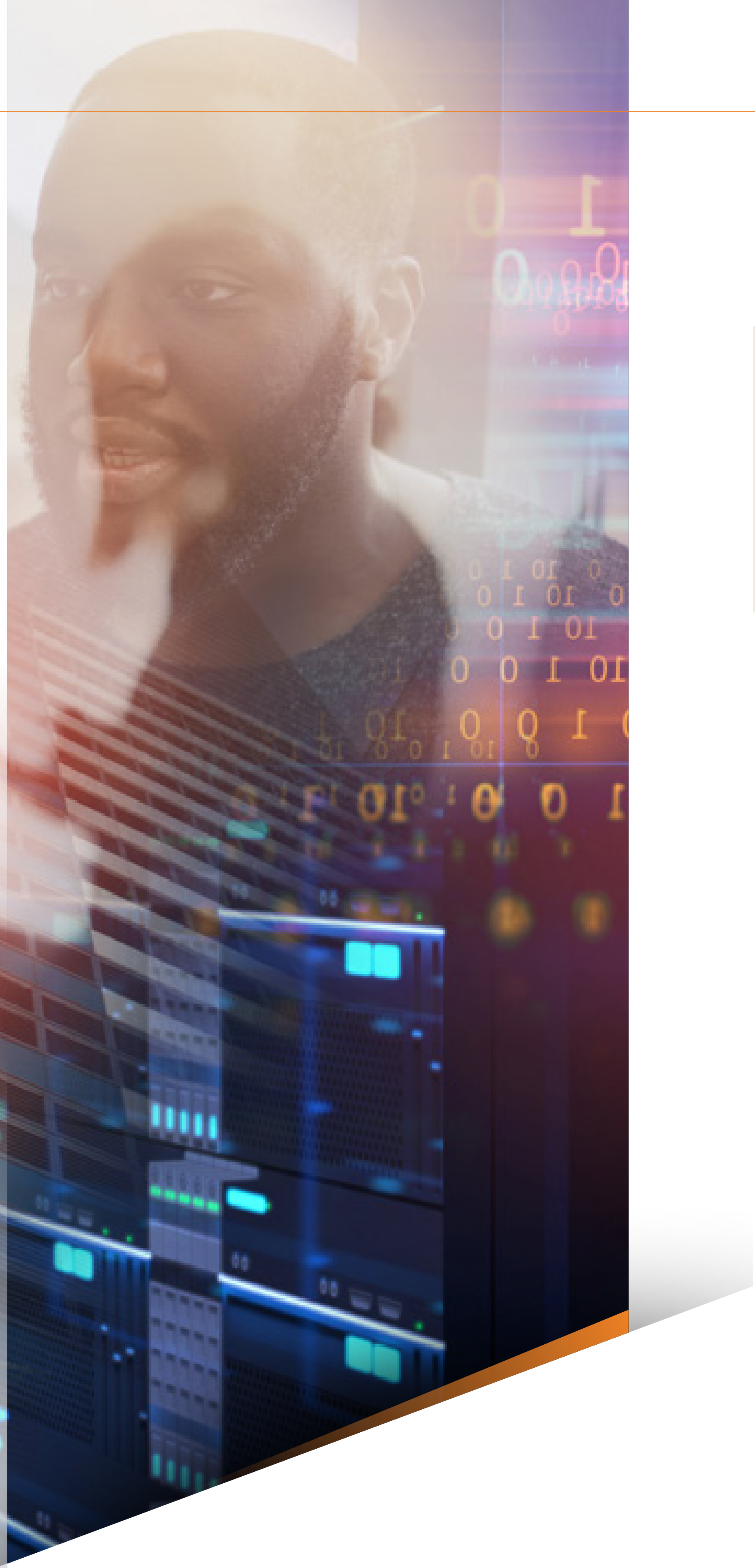
c. Unstable Availability and Supply of Water
Water scarcity or interruptions in water supply could hinder various production processes, given its critical role in food manufacturing, as well as lead to the possible shutdown or slowdown of certain production lines, increased costs from sourcing alternative 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.



Cybersecurity and Data Protection (continued)

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.

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 system which is Cloud based. Cloud security and data security ensure critical systems, processes and data are sufficiently protected from cyber-criminals and other malicious players. Application security prevents applications used by employees from becoming points of vulnerability. Vulnerability management and risk and compliance services are needed to 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 SAP S/4 HANA Cloud Private Edition provides a comprehensive set of features and capabilities that empower the business to standardise business processes, propel digital innovation and transformation, enhance security measures, and remain competitive in the digital age.
- 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. It provides all security related features such as Authentication, Authorisation, 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.

Cybersecurity and Data Protection (continued)

National Foods S4 HANA Private Cloud System Risk Management

National Foods S4 HANA system is essentially outsourced as a Software as a Service (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 Foods has allowed 99.7% availability but because of the Third-Party Risk that must be managed National Foods 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.

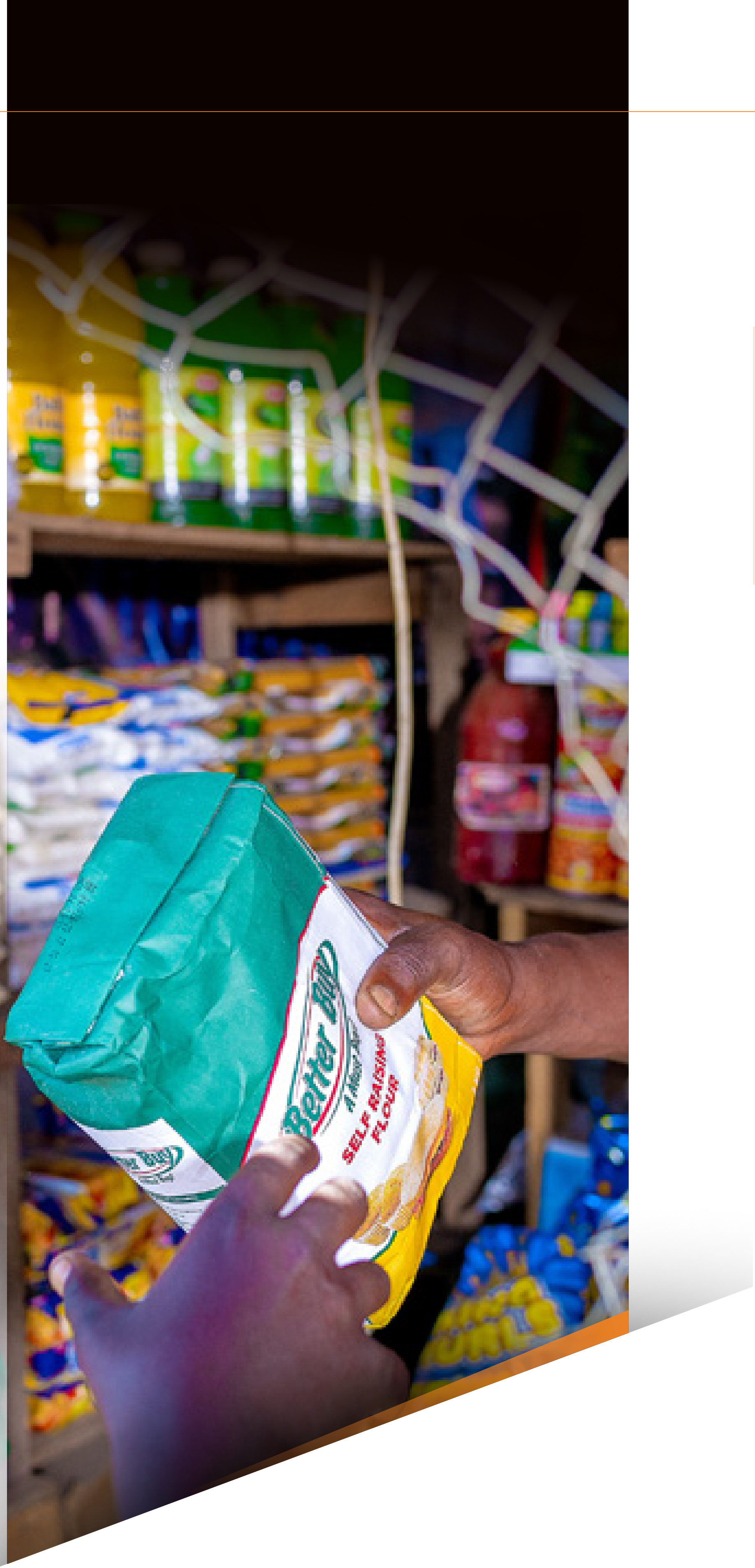
Key elements of the Code include:

- **Business conduct** – employees should 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 exchange 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** – we ensure that our actions go towards making a positive societal and environmental footprint.
- **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.



Anti-corruption (continued)

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 Deloitte Tip-Off 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 Strategy and Governance (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).

Sustainability Strategy and Governance (continued)

Governance of Sustainability (continued)

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 Strategy and Governance (continued)

Delivering on our Sustainability Strategy

In line with our four pillars, the Group has developed goals and targets to guide the delivery of our sustainability strategy throughout our operations. These are also aligned with the UN Sustainable Development Goals (SDGs) as presented below.

Sustainability Pillars and SDG Table

Health and Nutrition

2030 Targets	Key Commitments	2024 Achievements
▪ Investment in research and development of additional products over the next 5 years. ▪ 100% adherence to the Food and Food Standards Act: Labelling standards by 2030.	▪ Ending hunger and ensuring nutritious and sufficient food for all people. ▪ Producing affordable staple foods to ensure affordable nutrition. ▪ Maintaining nutritional standards for our products that meet or exceed globally recognised nutritional guidelines. ▪ Develop more nutritious and affordable products. ▪ Leverage our brand and marketing activities to promote consumer health and nutrition awareness and inspire positive behaviour change. ▪ Comply with modern food-labelling practices.	▪ NFL produces healthy and nutritional products. Of note is the Corn Soya Blend (CSB) which we are doing in collaboration with FAO especially for vulnerable communities.

Sustainability Strategy and Governance (continued)

Delivering on our Sustainability Strategy (continued)

Sustainability Pillars and SDG Table

2030 Targets	Key Commitments	2024 Achievements
Responsible Production and Environmental Stewardship		
▪ In line with our Zero Waste Philosophy, we will increase recycling of production waste for stockfeed products by 5%. ▪ Increase energy supply from non-recyclable waste incinerated at our two cyclonic boilers by 5% by 2025. ▪ Implement waste reduction of 5% by 2026 ▪ 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. ▪ Implementation of energy-efficient and low emissions logistics in the transport of products. ▪ Reduce water consumption by 10% through implementation of a new monitoring and tracking system in 2025.	▪ Zero Waste Philosophy - minimise waste generation through efficient processes and management. ▪ Strive for environmentally sound management of chemicals and all waste throughout their lifecycle. ▪ Invest in energy conservation and efficiency initiatives. ▪ Management of water supply and use. ▪ Raise energy management awareness among employees. ▪ Implementation of recycling initiatives. ▪ Transparent and constructive water stewardship and interactions with our shared-water stakeholders. ▪ Use of monitoring and evaluation processes to track water-related activities. ▪ Compliance with water-related legislation and water-related obligations. ▪ Participating in the protection and sustainable use of water catchment areas.	▪ 1 467 non-recyclable waste was incinerated in our two cyclonic boilers to produce steam required for processing. This reduces the Group's reliance on coal. ▪ Water meters were installed for every BU and every section under the BUs allowing improved water management.

Sustainability Strategy and Governance (continued)

Delivering on our Sustainability Strategy (continued)

Sustainability Pillars and SDG Table

2030 Targets	Key Commitments	2024 Achievements
Our People and Society		
▪ We offer entry level opportunities to students through apprenticeships, internships and Graduate development programmes as part of filling our talent pipeline. ▪ Our recruitment is therefore linked to our pipeline needs by function. An additional 3 students in milling and 50% increase in programmes is planned for 2025. ▪ Ongoing and enhanced support of orphanages, children's homes and 9 schools for children with special needs by providing them with regular food donations.	▪ Employee welfare. ▪ Provision of economic opportunities through employment in the form of casual, temporary and full-time employment. ▪ Responsible and ethical practices throughout operations. ▪ Customer welfare.	▪ In 2024, the trainee and apprenticeship programmes provided 2 students with hands-on experience in milling trade. ▪ National Foods had 18 (9 female and 9 male) trainees on the Chartered Accountants Training Outside Public Practice(TOPP) programme. ▪ Throughout the year the Group supported 28 orphanages and children's homes as well as nine schools for children with special needs by providing them with regular food donations.

Sustainability Materiality Assessment

Materiality Process

Our materiality assessment is conducted annually to determine economic, environmental, social, and governance issues material to the business.

Sustainability Materiality Assessment (continued)

The assessment is done in four stages namely: the identification and engagement of stakeholders to contribute to materiality determination and identification of topics, prioritisation of issues according to importance, validation for consistency and finally approval for reporting by management.

In the fourth quarter of this financial year, the Group engaged external, independent ESG subject matter experts to undertake a Materiality Assessment Workshop. This 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.

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:

Economic	Environment	Social
▪ Responsible supply chain ▪ Competitiveness and macro-environment ▪ Cybersecurity	▪ Energy efficiency ▪ Water management ▪ Waste management ▪ Climate change adaptation and resilience	▪ Employee development and welfare ▪ Factory Safety ▪ Product safety and quality ▪ Customer satisfaction ▪ Community involvement and development

Sustainability Materiality Assessment (continued)

Sustainability Goals and Targets

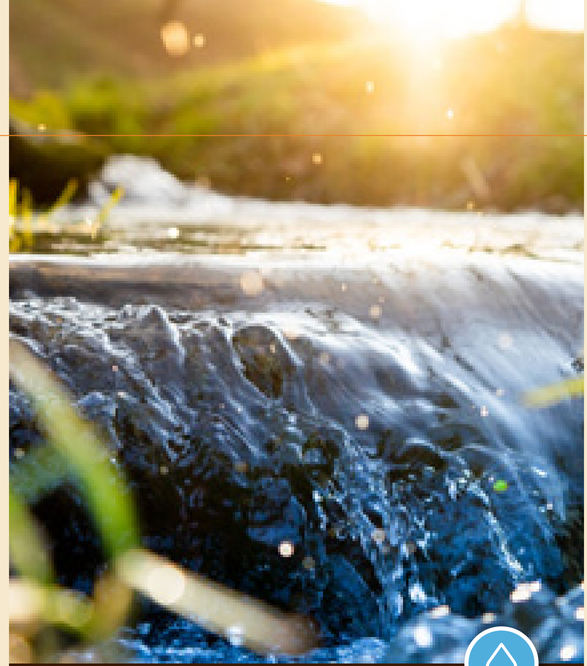
Based on our materiality assessment, the Group has committed to the following goals and targets:

Energy Management:

Goals:
- 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.

Targets and initiatives:
- 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.

In FY2025, a 2.775MW solar energy facility will be installed at the Aspindale site. The facility is expected to be operational by June 2025 and will significantly reduce our electricity consumption for the site (by 30%). Our burden on the national grid and reliance on back-up diesel generator systems will be reduced



Water Management:

Goals:
- Minimise water consumption by improving water efficiency.
- 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.
- Participate in the protection and sustainable use of water catchment areas.

Targets and initiatives:
- Reduce water consumption by 10% through implementation of a new monitoring and tracking system in 2025.
- Improve water stewardship engagement and encourage practical solutions to water reduction.

Waste Management:

Goals:
- Improve systems for measuring, monitoring and management of waste.
- Implement collection, reuse and recycling of post-consumer, end-user waste.

Targets and initiatives:
- Implement waste reduction of 5% by 2026.

In the Snacks section, the installation of a new fryer is underway which is more efficient and will result in lower waste production. Implementation is expected to be complete by March 2025 with reduction in cooking oil usage by 12%.

Sustainability Materiality Assessment (continued)

Sustainability Goals and Targets (continued)

Supply Chain and Procurement:

Goals:
- Sourcing commodities through recognised international responsible sourcing programmes and certification schemes.
- To develop mandatory sustainability compliance requirements for our suppliers.

Targets and initiatives:
- The Group is targeting to invest US$13m on 8,500ha to be planted in the upcoming summer season through contract farming. The contract farming is targeted to benefit 27 commercial farmers and above 500 small scale farmers. The above is in line with the Government thrust of promoting local farmers and improving the quality of our national yield through ensuring sustainable farming methods are implemented.

Community Involvement and Development:

Goals:
- 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:
- For FY2024, the Group's full year spend on these activities was US$ 301 504. We have supported initiatives in a wide range of sectors.

Other Sustainability Initiatives

Drought Action Committee

National Foods together with the Grain Millers Association of Zimbabwe (GMAZ), NGOs, Development Agents, Ministry of Agriculture are a part of the Drought Action Committee (DAC) working on grain mobilisation and maize meal supply and distribution to communities and end users during the drought period. The Committee's task is to develop immediate (six months), short-term (three years), medium term (five years) and long-term mitigation and resilience building measures in the agriculture sector.

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	Communication Channels
Employees / Staff	▪ Works Council issues ▪ SAP implementation ▪ Business performance ▪ Workers' grievances ▪ Project implementation ▪ Workers' Trust issues	▪ Dialogue on Workers' Council issues ▪ Launch and promotion of SAP ▪ Realignment of business performance ▪ Action points and improvement areas. ▪ Employee engagements ▪ Awareness of Worker's Trust benefits	▪ Face to face meetings, virtual meetings, Emails, telephone calls and WhatsApp messages ▪ CEO and Line manager communications ▪ Executive Committee cascades on employee benefits ▪ Internal communications ▪ Performance review feedback ▪ Employee benefits reviews ▪ Code of Conduct reviews ▪ Code of Ethics ▪ Workers Council meetings ▪ Notice boards ▪ Training sessions ▪ Peer education ▪ Tip off anonymous ▪ Workers' Trust cascades
Suppliers	▪ Fleet requirements and material deliveries ▪ Maize management ▪ Capex ▪ NATLOG ▪ Regional logistics ▪ Local wheat pricing ▪ Foreign wheat pricing ▪ Raw material needs	▪ Agreement on wheat price and efficient local deliveries ▪ Agreement on trading terms ▪ Raw material contracts and trading terms ▪ Capex project implementation ▪ Action points and improvement areas ▪ Supplier quotes ▪ Swap deal for white maize with GMB red sorghum ▪ Capex implementation ▪ Agreements on NATLOG requirements ▪ Regional logistics industry updates	▪ Face to face meetings ▪ Virtual meetings ▪ Emails, telephone calls and WhatsApp messages ▪ Top management suppliers' site visits ▪ Supplier Code of Conduct ▪ Company profiles ▪ Conflict of interest declarations ▪ Remittance advice ▪ Purchase orders ▪ Corrective actions reports

Stakeholders Engagement (continued)

Our engagements are presented below: (continued)

Stakeholder	Material Issues raised or Stakeholder concerns	Mitigation Measures	Communication Channels
Industry	▪ Agro Business value chains ▪ Drought response management ▪ Imports and exports requirements ▪ Wheat permits ▪ Purchase of Grain Marketing Board (GMB) maize and traditional grains	▪ Alignment on policies to lobby with government ▪ Grain Mobilisation and Maize Meal distribution during drought period ▪ Agreement reached on the tonnage to be imported for the different raw materials and export of the cereals. ▪ Importation of hard wheat and utilisation of local wheat direct from farmers and GMB	▪ Face to face meetings, virtual meetings, emails, telephone calls and WhatsApp messages ▪ Site visits ▪ Engagements with GMB CEO and PHI ▪ Direct meetings and updates with key industry players ▪ Agro-business meetings ▪ Engagement with Ministry of Lands, Agriculture, Fisheries, Water and Rural Development (Ministry of Agriculture) together with Industry Associations, e.g. Grain Millers Association of Zimbabwe (GMAZ), Stockfeed Manufacturers Association (SMA) ▪ Meeting and inspections by National Social Security Authority (NSSA) officers and relevant authorities ▪ Meeting with industry associations ▪ Engagement with all line government ministries ▪ Meetings and visits with regulatory authority officers ▪ Participation in lobby forums both directly and through various associations such as the Grain Millers Association (GMAZ), Confederation of Zimbabwe Industries (CZI), Zimbabwe National Chamber of Commerce (ZNCC), Buy Zimbabwe, and Stockfeeds Manufacturers Association (SMA)

Stakeholders Engagement (continued)

Our engagements are presented below: (continued)

Stakeholder	Material Issues raised or Stakeholder concerns	Mitigation Measures	Communication Channels
Government & Regulators	▪ Illegal maize imports and sale on open market ▪ National harvest versus demand and impact of imported finished products ▪ Supply of maize bran to stockfeed manufacturers ▪ Import and export requirements	▪ Agreement on tonnages and pricing ▪ Lobbying for inputs ▪ National Bakers Association of Zimbabwe (NBAZ) restriction of issuance of import permits, supervised milling ▪ Duty provisions on maize grain & flour finished products ▪ Import quota of 20,000mt approved for the stockfeeds manufacturers for the month of October & November ▪ Agreement on the tonnage to be imported for the different raw materials and exports of the brans	▪ Face to face meetings, virtual meetings, emails, telephone calls and WhatsApp messages ▪ Meetings and engagements with Line Ministries and Associations ▪ Statutory returns ▪ Meetings with industry associations, ▪ Engagement with Ministry of Agriculture together with Grain Millers Association of Zimbabwe (GMAZ) & Stockfeed Manufacturers Association (SMA) ▪ Engagement with the National Biotechnology Authority (NBA) ▪ Engagement with Ministry of Agriculture together with GMAZ, SMA, and Agricultural Marketing Authority (AMA) and Food Commercial Crop Producers (FCCP). ▪ Direct meetings and lobby forums with regulators.
Shareholders and Potential Investors	▪ Business strategy ▪ Quarterly Performance review	▪ Results presentation ▪ Alignment with Board on quarterly results ▪ Objectives and capital expenditure successfully approved. ▪ Alignment with Board on F2024 objectives	▪ Face to face meetings, virtual meetings, emails, telephone calls and WhatsApp messages ▪ Board & Exco meetings ▪ Annual report ▪ Annual General Meeting ▪ Bi-annual results release ▪ Quarterly review meetings ▪ Internal audit reviews ▪ Social media and website updates

Stakeholders Engagement (continued)

Our engagements are presented below: (continued)

Stakeholder	Material Issues raised or Stakeholder concerns	Mitigation Measures	Communication Channels
Customers and Consumers	▪ Business performance and upcoming focus areas ▪ Performance feedback ▪ Farm familiarisation ▪ Re-engagement	▪ Review and key actions set for following month(s) ▪ Identified improvement areas ▪ Agreement on pricing and trading terms	▪ Face to face meetings, virtual meetings, emails, telephone calls and WhatsApp messages ▪ Food safety standards compliance ▪ Shop visits ▪ Sales team interactions ▪ Monthly Reports ▪ Regular meetings with key account contacts and key customers ▪ Sales team interactions ▪ Sharing research results with customers ▪ Consumer and customer surveys ▪ Emails and advertising ▪ Consumer and customer immersions ▪ Social media and websites
Local Communities	▪ Corporate Social Responsibility (CSR) ▪ Community Social Investments (CSI) ▪ Engagement with beneficiaries ▪ Economic opportunities ▪ Environmental protection and waste management ▪ Visible corporate social responsibility activities ▪ Community training and development ▪ Social degeneration ▪ Knowledge and skills transfers ▪ Community health	▪ Compliance with legislations ▪ Community needs assessments and responsiveness to community development needs ▪ Hiring certified waste management companies to treat and dispose waste ▪ Development of strategic corporate social investments portfolios ▪ Training and support to target groups ▪ Recreational activities ▪ Educational tours ▪ Health service provision	▪ Face to face meetings, virtual meetings, emails, telephone calls and WhatsApp messages ▪ Corporate Social Responsibility (CSR) initiatives ▪ Corporate Social Investments (CSI) programs ▪ Face-to-face meetings with local authorities and community representatives ▪ Social media and websites

Making Health and Nutrition Affordable and Accessible

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. Our laboratories sample, screen, test and analyse products, starting from raw materials to finished goods.

Food Safety and Quality (continued)

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

The Group has systems in place to address any negative impacts associated with food safety and quality management. These include Food Safety, Nutrition and Quality Policy, Food Safety and Manufacturing Systems (FSMS) and ISO 9001 - Quality Management Systems (QMS) certification. The systems include 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. These systems allow National Foods to produce quality products that meet international food standards. Our goal is to ensure all 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. The Group will continue to improve and uphold high standards.

Product Health and Nutrition

National Foods prides itself in manufacturing products that meet the health and nutritional needs of the nation.

Management Approach

The Group is guided by our Food Safety and Quality policies which govern our operations across the value chain. We manage potential negative impacts by ensuring our products are within the expectations and requirements of the Food and Food Standards Act (15:04). Our Cereals, Culinary & Baby Food business division is certified to the ISO 22000 Food Safety Management System. National Foods targets 100% quality assured, innovative, and compliant consumer products.

As customer needs and governmental regulations occasionally change, our systems are geared to respond in a timely manner to ensure consumer satisfaction and legal compliance. We remain grateful to our customers, employees and other stakeholders who continuously give us feedback, which drives our innovation processes.

Product Innovation

With our products having been part of every Zimbabwean's meal for over 100 years, the very essence of this Group's business is anchored on consumer trust, loyalty and us ensuring we meet their needs and expectations.

Our exciting growth journey is fuelled by highly differentiated product innovations into value added nutritional and exciting food spaces. The R&D teams have a vast pipeline of new ideas which they are constantly testing and perfecting to delight our consumers. Our focus is on building a diverse portfolio of nutritious, affordable, and sustainable products to meet our consumers' evolving needs. These innovations have reinforced the relevance of our brands and translated 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

National Foods places great emphasis on ensuring products are correctly labelled and carry accurate information.

Being a manufacturer of FMCGs, product labelling is essential to ensure the appropriate product information is available for consumers to make an educated purchasing decision, especially with regards to ingredients, allergy warnings, expiry dates and handling instructions.

Product Labelling (continued)

Management Approach

As National Foods we pride ourselves on providing all the legislated mandatory packaging information to enable consumers to make informed choices. We encourage recycling and proper waste disposal through the inclusion of environmental protection icons on all our packaging.

For product labelling, the Group follows Zimbabwe's Food & Food Standards (Food Labelling) Act (Chapter 15:05), the international food standards guidelines, the Codex Alimentarius Commission (CAC)'s Labelling Guidelines and for the Group's Stockfeed division, Stockfeed Manufacturing Association (SMA) Labelling Guidelines.

National Foods ensures quality control inspections on products before release into the market. The Group has a three-tier process involving multi-disciplinary sign-off of all labels, legal compliance checks, and market surveys to ensure our products are compliant with local and global best practice. The Group conducts executive team trade visits, spot checks, internal audits and label signoffs to ensure our processes are effective. The Group strives for 100% compliance and reduction in customer complaints.

All our products carry environmental protection signs: 'Do not litter' and 'Recycle' to encourage responsible downstream waste management. In addition, our locally manufactured lines bear the 'Buy Zimbabwe' logo and where relevant carry the food fortification icons. These labels and claims are validated and endorsed by relevant professionals and regulatory bodies.

Product Marketing

The Group ensures all products are marketed in a way that does not mislead consumers. Our marketing teams ensure that our products are marketed in a fair and responsible manner, thereby protecting our brands and safeguarding the trust which we have built in over a century. We ensure all advertisements are evaluated and receive all the necessary approvals before use. The marketing team regularly engages trade partners to ensure the products are marketed in line with our values.

Supply Chain

Supply Chain

Our business relies on a resilient supply chain of farmers, ingredient suppliers and service providers among others, which allow us to produce the products central to our business.

Supply Chain (continued)

Management Approach

The supply chain management system is designed to support environmental stewardship, uphold human rights, and support local businesses and farmers. The system enables us to screen our suppliers based on track record and consideration of sustainability issues such as environmental impact, social behaviour, corruption, statutory compliance and human rights practices. Maintaining a sustainable value chain is a critical component as it sustains our brand name and reputation.

We recognise that agricultural products are central to our business and their steady supply is critical for our continued operations. We support our local farmers and suppliers through our supply chain partners enabling them to meet the increased demand for food as the population grows. Our suppliers enable us to meet the ever-changing consumer needs by delivering quality raw materials for our products.

By focusing on sourcing locally produced materials whenever possible this improves local job opportunities and contributes to overall economic growth. Benefits include improved reliability of supplies, reduced transport requirements (with subsequent reduced carbon footprint), minimising global supply challenges and overall improved supply chain resilience.

During 2024 the Group's procurement spending was as follows:

Local [1]	Imported
USD 129,088,627	USD 160,347,612
45%	**55%**

Despite a higher procurement spend on imported materials, the Group procured 19% more volume of product locally.

[1] Local is defined as manufactured or produced in Zimbabwe and does not include the Group's spend on 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 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.

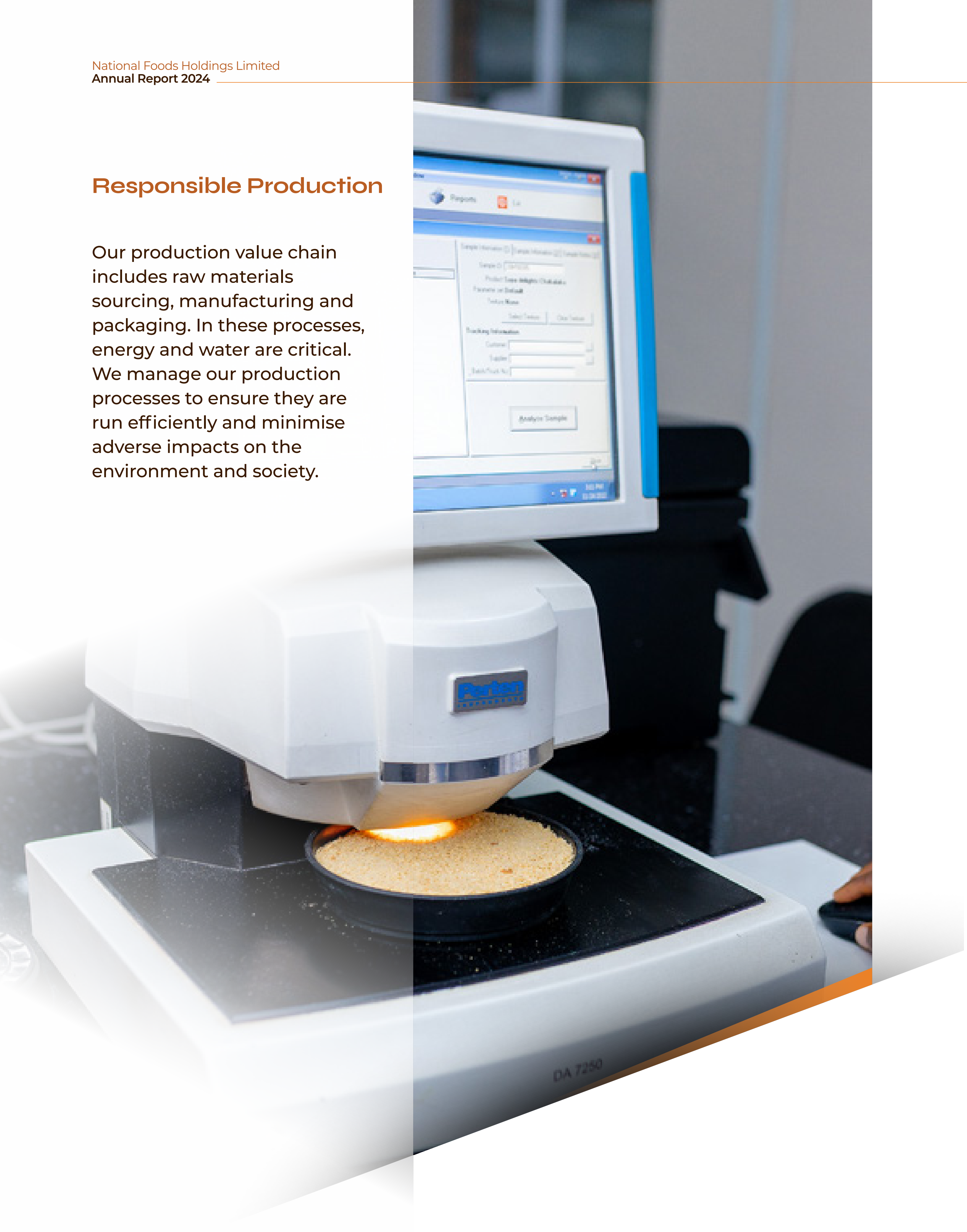
Responsible Value Chain

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

Responsible Production

Our production value chain includes raw materials sourcing, manufacturing and packaging. In these processes, energy and water are critical. We manage our production processes to ensure they are run efficiently and minimise adverse impacts on the environment and society.



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	2024	2023	2022	2021	2020
Grains	Tonnes	511 228	312 113	328 588	314 658	298 995
Other	Tonnes	144 585	241 371	240 693	210 772	157 399
	Tonnes	**655 813**	**553 484**	**569 281**	**525 430**	**456 394**

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.

Prevention of Pollution (continued)

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.

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.

We are committed to reducing the amount of waste deposited at landfills and to increase the Group's commitment to the 4 R's (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 has two cyclonic boilers which are used to generate energy by incinerating waste, such as plastic packaging and raw material waste, at high temperature to produce the steam required for processing. Not only does this significantly reduce our waste produced, but it also reduces the amount of coal required to be purchased for our production processes. During 2024, 1 467 tonnes of non-recyclable waste was incinerated to produce energy for steam at the Stockfeed division, an increase of 77% compared to 2023. The volume of waste sent to landfill dropped by 28% compared to 2023.

During the 2024, our waste was disposed of using the following methods:

Waste Disposal Methods

Materials Used	Disposal Method	Unit	2024	2023	2022	2021	2020
Non-recovered waste	Landfill	tonnes	356	496	537	625	296
Recovered waste	Cyclonic boiler	tonnes	1 467	1 801	482	—	—
Total		**tonnes**	**1 823**	**2 297**	**1 019**	**625**	**296**

Recycled Material

Materials Used	Disposal Method	Unit	2024	2023	2022	2021	2020
Paper cut-offs	Third party recycler	tonnes	21	47	44	7	24
Maize screening waste	Sale to farmers	tonnes	649	1 030	698	288	824
Scrap metal	Third party recycler	tonnes	272	85	65	8	—
Plastics	Third party recycler	tonnes	—	77	—	—	—
Total		**tonnes**	**942**	**1 239**	**807**	**303**	**848**

Production Waste Management (continued)

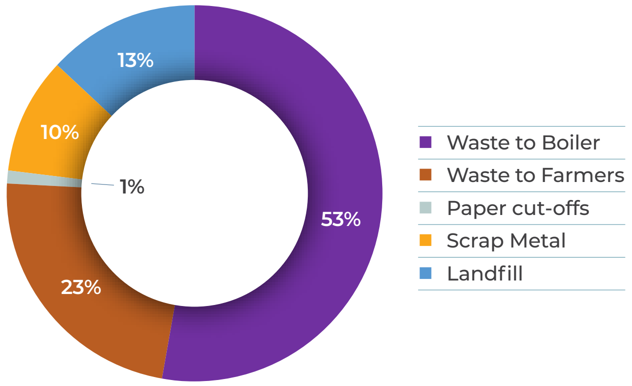
Our waste management processes continue to look at how to prioritise reducing, re-using, recycling or recovering our waste in the first instance. A portion of our paper cut-offs from the Flour Mills and Cereals, Culinary & Baby Food division are, for example, recycled by a third party who buys the paper cut-offs to convert them into tissue paper.

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 is compliant to Global Standard (BRCGS) certification for packaging.

The standard will be the guiding principle used for increasing the recycled component of packaging going forward.

National Foods Waste Types (%)



The Group produced a total of 2 752 tonnes of waste in 2024 of which 13% was disposed of at landfill. 53% of the Group's waste was non-recyclable waste that went to cyclonic boilers to be incinerated to produce the energy for the steam at the Stockfeed division. 23% of the waste went to farmers as feed e.g. to pig farmers. Through third parties, recyclable 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 the Group's 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) A **blue** licence in respect of a discharge which is considered to be environmentally safe.
(b) A **green** licence in respect of a discharge which is considered to present a low environmental hazard.
(c) A **yellow** licence in respect of a discharge which is considered to present a medium environmental hazard.
(d) A **red** licence in respect of a discharge which is considered to present a high environmental hazard.

For FY2024, our bands were as follows:

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

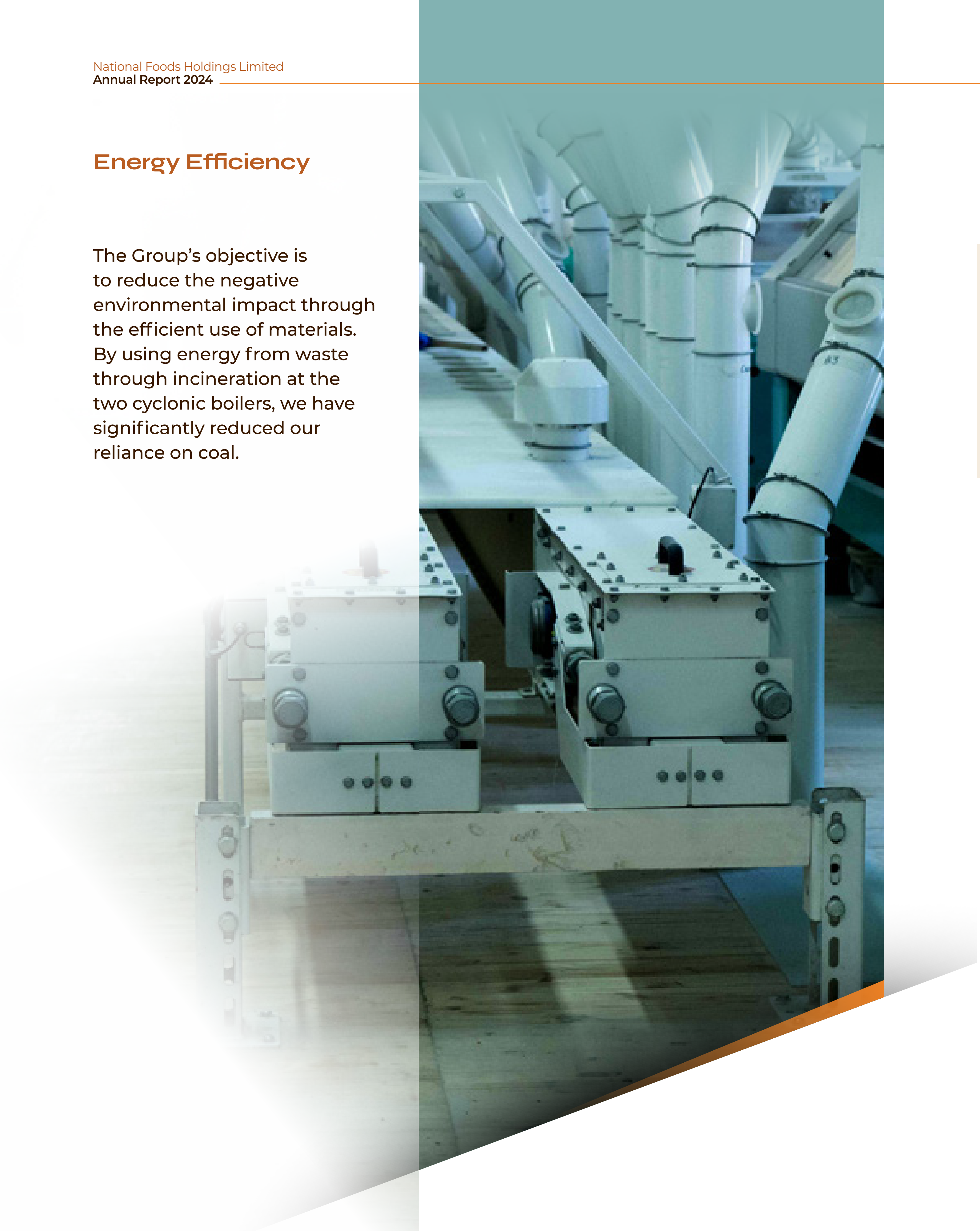
Air Emissions (continued)

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. National Foods discovered that a comprehensive approach to managing emissions helps reduce fines and prevent community disputes. As such, 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.



Energy Efficiency (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 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 to:

- 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.

In the coming financial year F2025, a 2.65MW solar energy facility will be installed at the Aspindale site. The facility is expected to be operational by June 2025 and will significantly reduce our electricity consumption for the site (by 30%), our burden on the national grid and reliance on back-up diesel generator systems.

Energy Consumption within the Group: For Manufacturing Processes

Energy Source	Unit	2024	2023	2022	2021	2020
Electricity	**MWh**	**33 692**	**31 941**	**54 150**	**31 765**	**25 950**
Coal for boilers	**Tonnes**	**1 337**	**1 004**	**954**	**344**	**451**
Diesel for processes/ forklifts	Litres	349 219	544 419	164 981	372 717	270 723
Diesel to run generators	Litres	568 295	711 341	129 921	—	—
Total Diesel used	**Litres**	**917 514**	**1 255 760**	**294 902**	**372 717**	**270 723**

Energy Consumption outside the Group: For Transportation

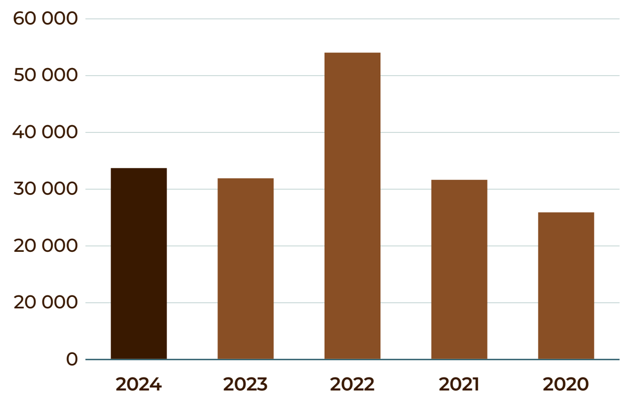
Energy Source	Unit	2024	2023	2022	2021	2020
Diesel for owned fleet vehicles	Litres	337 809	100 663	—	—	—
Petrol for owned fleet vehicles	Litres	364 488	554 311	447 324	432 000	443 181
Total	**Litres**	**702 297**	**654 974**	**447 324**	**432 000**	**443 181**

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

Energy Efficiency (continued)

Electricity Consumption Within The Group

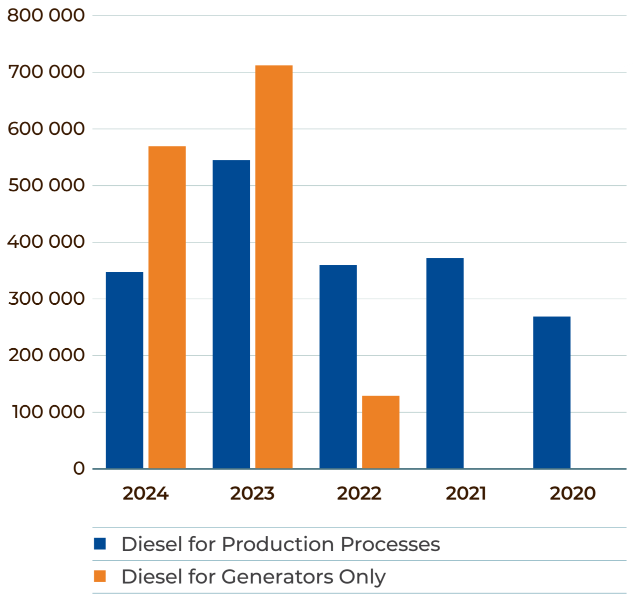
Total Electricity Used (MWh)



FY2024 saw a 5% increase in electricity usage as a result of improved availability of grid supplied electricity compared to F2023. This is also reflected in the reduced diesel for generators figures in the graph below.

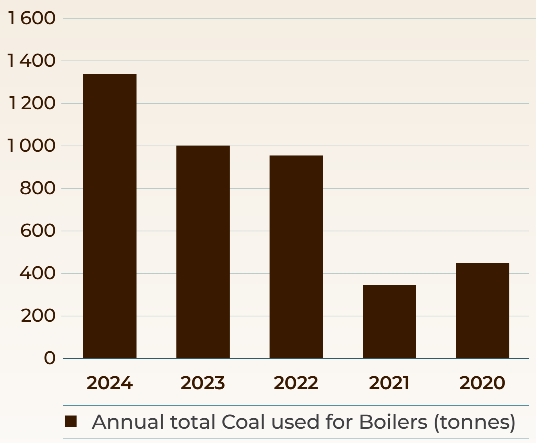
Diesel consumption within the Group

Total Diesel Used (litres)



FY2024 saw a reduction of 27% in the amount of diesel used both for processing and to run generators. This was as a result of more grid supplied electricity being available and therefore requiring less diesel to run the generators as backup. The Group also introduced three electric forklifts in 2024 which replaced the diesel run forklifts, reducing the diesel usage.

Total Coal Used (tonnes)



There was a 34% increase in coal usage in 2024 due to increased volumes handled by the Stockfeed division in their operations as well as the volume used by the Cereal, Culinary and Baby Food (CCB) division. This increase was despite 1 467 tonnes of waste being sent to the boilers as fuel.

Energy Efficiency (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 have progressed significantly in F2024. A roof top 2.65 MW solar array at the Aspindale site is planned to be commissioned in December 2024. Once this solar array is installed, National Foods will roll out installing solar power at other sites, including the new Basch Street Flour Mill in Bulawayo.

With 20% of our water being supplied by the Municipality, the Group had to source 80% from borehole water in 2024. With our production predominantly involving 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 learnt that effective water and effluent management can create value for the business and reduce costs of non-compliance with national laws.

Water

National Foods consumes large quantities of water and mostly relies on boreholes.

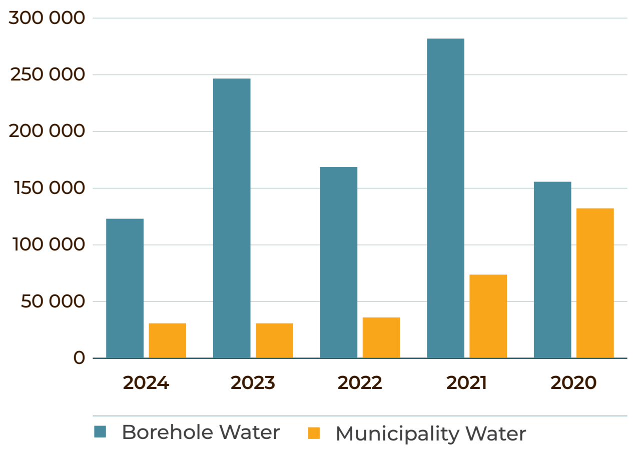
The business relies on water supplies for production, reticulation and boilers. However, improper management of water and effluent can lead to financial loss, production downtime and water shortages.

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.

Total Water Consumption by Source (m^3)



The Group used 45% less water overall than in 2023. This is largely due to the completion of the Stirling Road construction project. Water conservation programs are in place and performance indicates general consistency in usage.

Water Source	Unit	2024	2023	2022	2021	2020
Municipality	Litres	30 426	30 182	35 718	73 621	132 433
Borehole	Litres	123 056	247 345	168 158	281 706	156325
Total	**Litres**	**153 482**	**277 527**	**203 876**	**355 327**	**288 758**

Environment and Climate Change

Environment and Climate Change

At National Foods, we are aware of the responsibility we carry to ensure the environmental sustainability of our operations. We endeavour to manage our operations within sustainable levels and to achieve compliance with all relevant national legislation.

Environment and Climate Change (continued)

We are aware that our 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.

We are 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.

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. 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 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. Appropriate systems to calculate the financial implications relating to climate are underway for implementation and reporting in the coming financial year.

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 (tonnesCO_2e), which is a measurement unit for global warming potential (GWP) of GHGs, expressed in terms of the GWP of one unit of carbon dioxide (CO_2). The GWPs used in the calculations of CO_2e 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.**

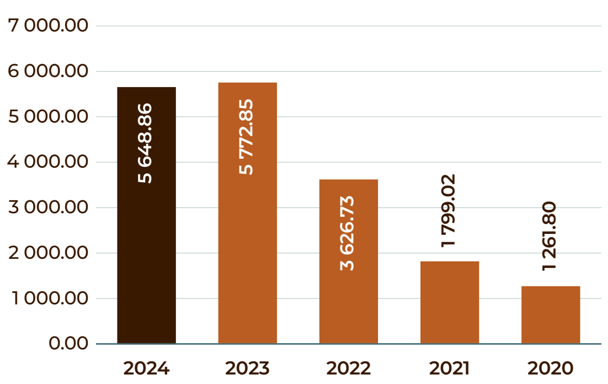
Scope 1: Direct Emissions

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 be comparable with the 2024 data.

Scope 1: Direct Emissions

Emissions Sources	Unit	2024	2023	2022	2021	2020
Fuel: Diesel (for ovens, generators and own fleet) and Coal	tonnesCO_2e	5 649.86	5 773.85	3 593.09	1 815.58	1 800.77

Scope 1 (Diesel & Coal):
Group Total tonnes CO_2e per year



2024 saw a slight decrease of 2% in the Group's Scope 1 carbon footprint as a result of improved grid supplied electricity and the Group moving from diesel run to electric forklifts.

Carbon Footprint (continued)

Scope 2: Indirect Emissions

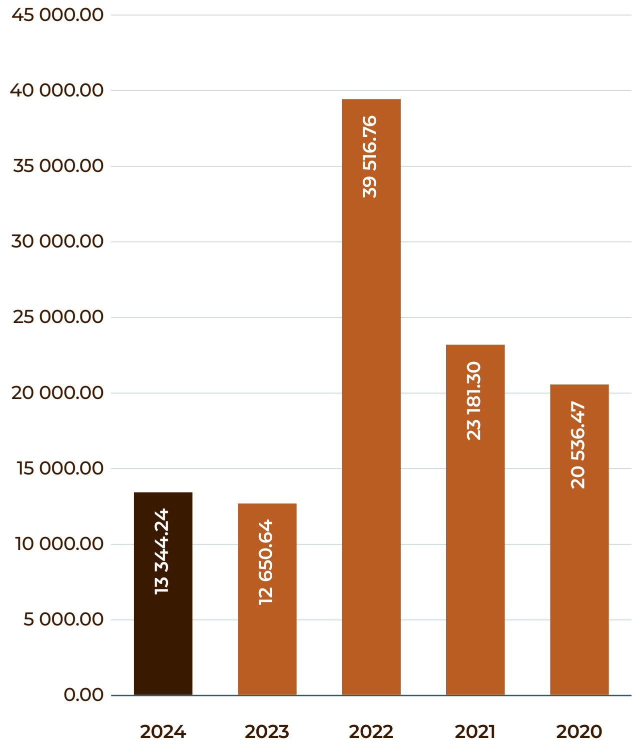
Scope 2 relates to the emissions arising from the use of energy generated by a third party or sources over which a company has no control such as electricity. The historical data below is calculated based on https://www.carbonfootprint.com/international_electricity_factors.html IPCC calculation value of 0.396065919kgCO_2e/kWh for Zimbabwe.

Scope 2: Indirect Emissions

Emissions Sources	Unit	2024	2023	2022	2021	2020
Electricity	tonnesCO_2e	13 344.24	12 650.64	21 446.80	12 581.11	10 277.91

After the sharp rise in the Group's Scope 2 carbon footprint in 2022 due to the Cereals, Culinary & Baby Food (CCB) business unit coming on board plus the Group experiencing a general increase in production volumes, 2023 saw a sharp decrease due to low availability of national grid fed electricity during the reporting year. 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 CO_2e per year



Our People

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.

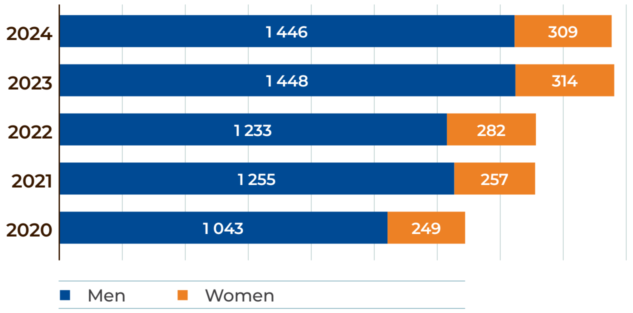
Our People (continued)

Labour Relations (continued)

Employment Base

As at 30 June 2024, we provided employment opportunities to 1 755 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 2024 were at executive and management level, an increase of 8% compared to 2023.

Total Number of Employees by Gender



As at 30 June 2024, our employment performance is presented as follows:

Employee Base

Gender	Unit	2024	2023	2022	2021	2020
Male	Count	1 446	1 448	1 233	1 255	1 043
Female	Count	309	314	282	257	249
Total	**Counts**	**1 755**	**1 762**	**1 515**	**1 512**	**1 292**

Permanent Staff

Gender	Unit	2024	2023	2022	2021	2020
Male	Count	470	479	512	496	512
Female	Count	109	116	117	116	120
Total	**Counts**	**579**	**595**	**629**	**612**	**632**

New Recruitments of Permanent Staff

Gender	Unit	2024	2023	2022	2021	2020
Male	Count	19	22	48	31	35
Female	Count	11	10	11	5	10
Total	**Counts**	**30**	**32**	**59**	**36**	**45**

Our People (continued)

Labour Relations (continued)

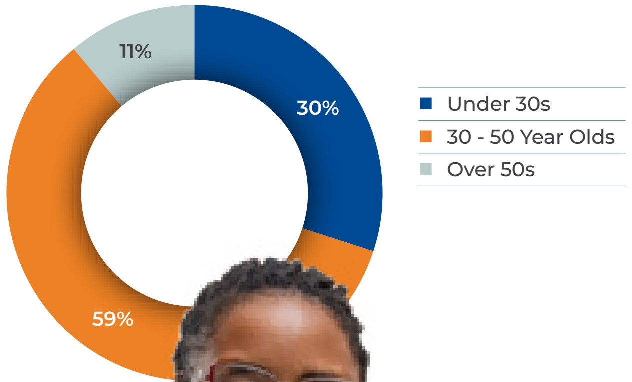
Permanent Staff Turnover

Gender	Unit	2024	2023	2022	2021	2020
Male	Count	34	51	37	48	35
Female	Count	12	15	5	8	14
Total	**Counts**	**46**	**66**	**42**	**56**	**49**

Employees by Contract Type

Gender	Unit	2024	2023	2022	2021	2020
Full Time Employees	Count	579	595	629	612	632
Outsourced Labour (Variable)	Count	1 176	1 167	886	901	734
Total	**Counts**	**1 755**	**1 762**	**1 515**	**1513**	**1 366**

Staff by Age Group (%)



Our People (continued)

Long Service Awards

Our recognition of the value and contributions of our employees is acknowledged through the Group's Long Service Awards which are presented annually. In 2024, 100 members of staff were recognised for serving National Foods for 10 years or more.

41 members of staff reached 15 years of service while 10 reached 30 years with one female employee reaching the amasing milestone of working for the Group for 45 years. This reinforces the strength of the Group's valued relationship with our staff and the considerable investment over the years into developing and retaining skilled and experienced employees.

20 Year Service Recipients - Front row from left to right: Alice Pawarikanda (GHR Executive), Tsuro Ngodho, Luckson Tshabangu, Liberty Mamhute, Godfrey Matione, Loveness Kondowe, Akhimu Ndlovu, Tinago Mapuvire & Sharon Mamutse (Group Sales Executive). **Back row from left to right:** Nyasha Mhizha (Biscuits ME), George Mukono, Chipo Nheta (Maize ME), Jadiel Machona, John Nyamatanga, Mike Lashbrook (GCEO), Swys Viviers (Stockfeeds ME), Vikas Swami (Downpacked ME), Craig Wilde (Group Engineer), Mathew Tundumaro, Alfred Muungani Cosmas Chachimwe, Ashton Doswora & Tayengwa Chinyani

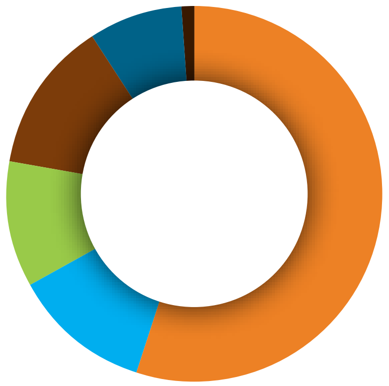
Long Service Awards for 2024

No of Years served	Men	Women	Total
15 years	34	7	41
20 years	5	4	9
25 years	6	2	8
30 years	9	1	10
35 years	6	0	6
40 years	0	0	0
45 years	0	1	1
Total	**60**	**15**	**75**

30 Year Service Recipients - Front row from left to right: Alice Pawarikanda (GHR Executive), Martin Chawarira, Vengai Maringire, Enoch Chagonda, Vusisizwe Ndlovu, Jonathan Mbwizhu, Sharon Mamutse (Group Sales Executive). **Back row from left to right:** Nyasha Mhizha (Biscuits ME), Chipo Nheta (Maize ME), Mike Lashbrook (Group ME), Patrick Marusho, Swys Viviers (Stockfeeds ME), Craig Wilde (Group Engineer), Vikas Swami (Downpacked ME)

HR - Human Resources, ME - Managing Executive
GCEO - Group Chief Executive Officer

Years of Service



15 Years	55%
20 Years	12%
25 Years	11%
30 Years	13%
35 Years	0%
40 Years	8%
45 Years	1%

	2024	2023	2022	2021	2020
15 years	41	19	4	7	10
20 years	9	16	9	13	7
25 years	8	13	14	13	21
30 years	10	7	3	6	10
35 years	6	7	8	2	1
40 years	0	0	2	1	10
45 years	1	0	0	0	0
Total Number	**75**	**62**	**40**	**42**	**59**

National Foods Holdings Limited

Our People (continued)

Occupational Health & Safety

We recognise that a business can only be as strong as its employees and this starts with respecting their right to a safe work environment. Providing a safe workplace goes beyond our legal obligations and is strengthened by the understanding that promoting our employee's safety is crucial to our success.

Occupational Health & Safety (OHS) policies and procedures positively impact the Group by promoting the wellness of employees thereby boosting productivity, preventing injuries and fatalities, bad reputation and business disruptions.

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 2024, the group recorded four lost time injuries which resulted in 94 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 offered.

Our People (continued)

Occupational Health & Safety (continued)

Tracking Impacts of OHS Management

The Group evaluates the effectiveness of Occupational Health and Safety management through:

- Internal and 3rd party audits
- Regulatory inspections by NSSA
- Ratings that involve NSSA performance based inter-organisation assessment
- Benchmarking with other companies as an active member of the Southerton/Workington Industrial OHS Cluster
- Employee Engagements

The health and safety of our employees is an essential component of our Group's operations, mainstreamed through various company policies and stipulated by the Health, Safety and Environment (SHE) Policy whose objective is to:

- set the organisational approach to employee health and safety;
- affirm management's commitment to the prevention of harm at the workplace; and
- clearly define the Group's responsibilities in the management of health and safety.

Our Health and Safety Policy is informed by and compliant with relevant and applicable national legislations covering our sector. The Group's commitment to health, safety and welfare for all of our employees requires all businesses to ensure that they adopt and apply best practices at all times. During the year, health and safety topics discussed at various employees' sessions covered the following topics, as guided and agreed with various Trade Unions:

- Safety Health and Environmental Culture
- Operational Safety
- Behaviour-based Safety
- Hazard Identification
- Electrical Safety

A total of 256 hours of in-person safety training were delivered to 1 755 employees based in Harare and Bulawayo.

Number of work-related Injuries

	Unit	2024	2023	2022	2021	2020
Work related injuries	Counts	4	1	12	7	7
No of lost days as result of injuries (LTI)	Days	94	52	198	278	121
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	2024	2023	2022	2021
National Foods Employees	Counts	4 184	3 538	1 780	4 808
Natlog Employees	Counts	291	238	196	269

Our People (continued)

Diversity and Inclusion

National Foods actively encourages equality and diversity. Diversity and inclusion bring about a broad range of perspectives, experiences and opinions as we navigate different business challenges. Employees feel more at home in an inclusive work environment that values diversity and tend to work more diligently and intelligently, resulting in high quality work.

Management Approach

We have a Recruitment Policy that guides us in managing diversity and inclusion. We encourage applicants to apply regardless of gender, religion and ethnicity. We are committed to ensuring recruitment is based on merit and inclusiveness. Our Code of Conduct lays out the Group's principles, standards, moral and ethical expectations during recruitment to ensure diversity and inclusion. The Group uses pulse surveys, gender and age analysis to assess performance on gender and diversity. We have disciplinary/grievance resolution committees that assist in resolving any matters associated with diversity and inclusion.

NATIONAL FOODS HOLDINGS LIMITED

Our People (continued)

Talent Development

National Foods places high value on training and education since it enables our staff to develop new skills, polish existing ones, perform better, boost productivity, and become better leaders.

Management Approach

The Group is guided by the Performance and Training Policy under the Human Resources Department, which is in charge of all Group training and education. We are committed to honouring personal and company-based skills development plans. We believe this prepares our employees for internal promotion, succession planning and skills retention programmes. Our goal is to achieve 100% completion of training plans. We track the effectiveness of employee training and skills development through return on training investment, improved productivity, meeting targets, improved leadership skills, business excellence and innovations. The Group continuously monitors potential skills gaps among employees and ensures appropriate training is conducted. A total of 6 507 hours of external training were given to staff during 2024.

Training Programmes

The Group offers the following programmes:

- Millers Training
- Training Outside of Public Practice (TOPP) for Chartered Accountants
- Graduate Traineeship
- Internship
- Apprenticeship, and
- Exchange visits

Miller Training

We run an in-house Miller Training Program in partnership with the South Africa Grain Millers Association (SAGMA). In 2024 one trainee miller qualified as a graduate miller at the Cereal, Culinary & Baby Food (CCB) division while a further two male trainee millers enrolled at the Flour Milling division.

We also run a miller development program in partnership with the Africa Milling School (Buhler) in Kenya. We pride ourselves on our association with the prestigious Swiss Milling School where we send our exceptional millers. The Group has sent four millers to the Swiss Milling School for training since the inception of the Miller Training Program.

Professional Development

We offer various professional development programs for the experienced mid-career recruits. We ensure that development planning is at an individual level and continuous professional development is encouraged. Some of the programs offered include the Chartered Accountants Training Outside Public Practice (TOPP) accredited by the Institute of Chartered Accountants of Zimbabwe (ICAZ). TOPP is the financial management training route that offers prospective Chartered Accountants (CAs) an alternative to the conventional TIPP (Training Inside Public Practice) to qualifying as CAs. In 2024, 18 National Foods employees enrolled as students (9 men & 9 women) for the TOPP program.

Apprenticeship Program

For those pursuing technical development, National Foods is accredited by the Ministry of Higher and Tertiary Education to run apprenticeship programs for electrical and mechanical engineering Although we did not have apprentices in FY2024, we however had two Graduate Trainees (1 male, 1 female), and 4 interns (students on attachment) (2 male, 2 female).

Skills Base

Our staff are members of the following professional bodies:

- 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)
- Institute of People Management of Zimbabwe (IPMZ)

Our People (continued)

Human Rights

Human rights management is a crucial aspect of ensuring ethical and responsible business practices. It involves respecting the dignity, well-being and rights of our employees, customers, suppliers, service providers and the communities we work with.

National Foods strives to fulfil the human rights expectations of its stakeholders, and of universal human rights legislation. The Group continues to accept and adopt the United Nations Guiding Principles on business and Human Rights, an international human rights instrument applied by business entities that respect and protect all forms of human rights in their operations.

The Group continues to comply with defined human rights regulations in accordance with the Constitution of Zimbabwe as well as applicable national and international instruments, standards and legislation.

Through values enshrined in various corporate policies including National Foods' Human Resources Policy, the Group acknowledges the necessity for a commitment to avoiding all corporate human rights abuses.

The Group strives to make positive contributions towards the promotion and realisation of the following rights for its staff and all stakeholders that include but are not restricted to:

- Labour rights
- Health (and safety) rights
- Freedom from child labour and forced employment
- The right to human dignity
- Protection from inequality and discrimination
- The right to health
- The right to privacy
- The right to food
- A clean work environment that is not harmful to health
- The right to education
- The right to safe, clean and potable water
- Environmental rights

Through its grievance and redress mechanism, the Group identifies stakeholder issues and concerns as well as our environmental and social impacts, which are addressed through collaborative approaches by all relevant management departments. Through Community Social Investment (CSI) initiatives involving technical, logistical, and material contributions, the Group has continuously promoted the advancement of human rights within the local communities in which we operate.

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:

Historical	2024 USD	2023 USD	2022 USD
National Foods Pension	222 552	225 927	256 093
National Foods Security	160 814	137 191	235 792
Group Life Cover	31 592	28 349	69 746
Total	**414 958**	**391 467**	**561 631**

Community Investment and Economic Development

Community Investment and Development

Corporate Social Responsibility

National Foods engages in proactive community initiatives designed to deliver positive impacts on vulnerable communities along with contributing towards social and economic development.

Community Investment and Development (continued)

Through our CSR programmes, we support national disaster recovery, disease control, wildlife, retirement homes, orphanages and disability centres.

CSR Objective

To give **back** to the communities we operate in by **enhancing lives**, improving wellbeing, and building lasting emotional capital.

The Group's CSR strategy includes commitments across three clear focus areas:

1. Improving well-being of the community
2. Enhancing Lives
3. Building Lasting Emotional Capital

Management Approach

The Group allocates considerable resources to the CSR programme budget, which is strictly monitored. National Foods requires every beneficiary to be legally registered as a Non-Governmental Organisation or Community Trust and to have a Private Voluntary Organisation (PVO) registration number or Deed of Trust Registration. The Group validates the registration number with the Ministry of Labour and Social Welfare to avoid dealing with unscrupulous organisations pretending to represent vulnerable communities or individuals. The Group Human Resources Executive approves all beneficiaries and ensures that donations are not performed through private handovers to minimise the risk of corruption or donations being diverted from the intended purpose.

The Group performs continuous assessment of regular reports, follow ups with beneficiaries or the communities and field visits. Moreover, the Group requires beneficiaries to confirm in writing the receipt of any materials or financial support received from us.

The Group evaluates budget performance reports on the CSR Programme. In addition, internal audits and stakeholder consultations are conducted to assess the impacts of the CSR initiatives. The Group targets achieving 40% on improving the well-being of communities, 40% on enhancing lives and 20% on building lasting impacts and emotional capital.

Community Social Investments

The Group recognises the need to work with relevant Government ministries and non-governmental organisations to conduct community needs assessments and ascertain beneficiaries.

Furthermore, we work closely with the communities to understand issues that impact them and what may be required. We strongly believe the lessons learnt during the year will help to align our actions, policies and procedures on community development support.

National Foods supports 49 centres in vulnerable communities across the 10 districts of the country monthly. These centres include orphanages, special needs groups, vulnerable women and children, schools, hospitals, churches, wildlife and other national social support initiatives. These are the areas where National Foods, believes we can harness our core activities most effectively, to create a positive impact.

Community Investment and Development (continued)

Community Social Investments (continued)

With regards to the current reporting period, we have supported initiatives in the following sectors:

1. **Institutions supporting the vulnerable.**
Out of the 49 centres, 45 of these were vulnerable institutions across the country's 10 provinces where we donated food hampers monthly. These centres are mainly orphanages, children's homes, old people's homes and special needs schools.

We also managed to extend help on the 17th of August 2023 to a children's centre whose block was gutted by fire, and they lost all valuables including children's stationery. National Foods made a small gesture and donated counter books to the children.

2. **Socio-Economic Skills Development Workshops**
The Group partnered with the Community Foundation for the Western Region of Zimbabwe assisting with holding socio-economic skills development workshops. The primary aim of the workshops was to enable communities to develop some entrepreneurial skills and to become self-sustainable. We provided support through facilitating training workshops and providing food. To date a total of 750 young people across 3 districts in Matabeleland have been trained.

With the pervasive use of drugs in our communities, we believe our gesture towards ensuring the youth are kept occupied by income generation activities also curb issues of drug and substance abuse. Further, it enables the youth to have sustainable income generating activities in the communities we operate in.

3. **Northern Region Women Football League (NRWFL)**
National Foods in collaboration with the Northern Region Women Football League (NRWFL) contributed to the development of girls' football. NRWFL is a women league mandated to oversee the development of women football in the provinces of Harare, Mashonaland Central and Mashonaland West. A total of 82 girls aged 15 to 20 years took part in the three-week football training camp in December 2023. This initiative benefited those girls who may not have had an opportunity to be recognised for their talents. It also helped alleviate social issues such as early child marriages in our society as the girls are taught other life skills while in camp.

Various stakeholders came in to support the initiative, including Baker's Inn and the ProGroup.

4. **Pristine Victoria Falls Society**
We continue to support students with scholarships in Victoria Falls through the Pristine Victoria Falls Society. Twenty Pristine Junior Eco-Warriors (11 girls and 9 boys) were selected from seven different schools (from a population of 10 primary and 10 secondary) and are beneficiaries of the scholarship scheme, having their school fees paid in full.

In addition, the Group sponsored clean-up initiatives in Victoria Falls and played a crucial role in addressing the pressing environmental challenges faced by this iconic destination. By supporting the clean-up initiatives, National Foods is actively helping to preserve the natural beauty of Victoria Falls and safeguard its ecosystems. Support provided included fuel and cleaning materials for the transportation of waste from various clean-up points to the dumpsite.

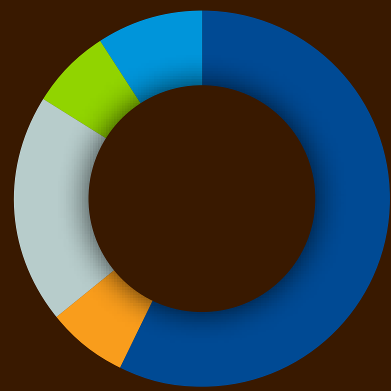
Community Investment and Development (continued)

Community Social Investments (continued)

5. **Animal Welfare Support**
Animal welfare support was provided to six centres: Zimbabwe National Society for the Prevention of Cruelty to Animals (ZNSPCA), Zambezi Society, Homefields Care Centre, Bally Vaughan Game Park, Therapeutic Horse Riding and Pristine Victoria Falls Society for environmental clean-up activities.

6. **First Lady's Programmes**
Various Ad Hoc donations outside our usual 49 centres went towards the First Lady's various philanthropy programmes and state-initiated activities on corporate social responsibility and sports sponsorships.

Groups of Beneficiaries for Food Donations (%)



Orphanages & Children's Home	58%
Cultural & Arts Support	7%
Special Needs Schools	20%
Animal Welfare	7%
Retirement Homes	7%

Community Investment and Development (continued)

Local Economic Development

In addition to supporting vulnerable groups with food donations within the communities in which we operate, the Group places high value on working with stakeholders to support local economic developments.

This is done not only through skills training by offering internships and apprenticeships, but also through the support of small-scale farmers and infrastructure projects. 60% of the raw materials procured by the Group in 2024 was locally sourced.

1. **Contract Farming**
   National Foods, through Paperhole Investments (PHI), supported 200 small scale farmers in 2024. The farmers are given inputs such as seeds and/or fertiliser, as well as drought insurance cover for growing maize, sorghum, and sunflowers. Through PHI the farmers are also assisted with technical support. After harvest the farmers deliver the produce to the PHI hub.

   National Foods planted 5,000 hectares of land under the winter wheat crop through the company's contract farming. The expected yield is 25,000 to 30,000mt of wheat. This yield is above the national average yield per hectare as the Company promotes and is committed to sustainable agricultural practices. This comes, as the Company is cognisance of the El Nino drought which destroyed the bulk of the summer crop last season. In 2024, National Foods bought marginally above 40,000 tonnes of winter wheat from its contracted farmers.

   The Company realised about 45,000 tonnes of Maize from the 2023/2024 summer cropping season through contract farming, as 5,200ha was under the maize crop. A further 2,400ha was put under soya crop in the same cropping season. NFL and other group companies had the offtake agreement of this crop.

   To ensure sustainable farming methods are implemented, the Group is targeting to invest US$13m on 8,500ha to be planted in the upcoming summer season. The contract farming is targeted to benefit 27 commercial farmers and above 500 small scall farmers. The above is in line with the Government thrust of promoting local farmers and improving the quality of our national yield.

   This initiative fully supports the national drive to achieve food security, improved household incomes and sustained education and family welfare.

2. **Southerton-Workington Industrial Cluster**
   National Foods is part of the Southerton-Workington Industrial Cluster. This is a group of companies working together in the development of Environment, Health & Safety (EHS) Management Systems as well as continuous development of EHS systems at each member company. This also acts as a platform for engagement and lobbying with various authorities for EHS improvements.

3. **Stirling Road Rehabilitation Project**
   In 2024 National Foods led the initiative for the area to rehabilitate the main access road to our Stirling Road site. With a large number of delivery trucks using this road, improved road conditions made the delivery process for all the businesses located on this road better.

Community Investment and Development (continued)

Economic Value Generated and Distributed

	2024 US$	2023 US$	2022 US$	2021 US$	2020 US$
Economic Value Generation					
Value Generated*	81 639 242	72 071 589	72 712 402	60 366 131	48 065 905
Other income and interest	1 483 096	925 085	809 093	469 365	439 711
Equity Accounted Earnings	339 223	328 373	1 021 946	423 393	1 751 974
Economic Value Distribution					
Other operating costs	(40 862 781)	(33 874 652)	(28 974 703)	(28 807 340)	(19 254 333)
Staff costs and benefits	(16 740 002)	(15 237 276)	(16 393 969)	(14 108 818)	(11 639 001)
Impairment and related charges	(76 358)	(54 603)	—	—	—
Depreciation and Amortisation	(4 990 732)	(4 121 541)	(3 335 688)	(3 099 723)	(2 921 488)
Providers of capital	(3 125 885)	(6 386 801)	(5 735 018)	(1 082 279)	(2 029 048)
Provision of taxes	(2 578 712)	(3 885 758)	(4 474 168)	(1 459 146)	(4 463 936)
Value Added	**15 087 090**	**9 764 416**	**15 629 895**	**12 701 582**	**9 949 783**

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

Our tax strategy is based on the principles of transparency, compliance, and value creation. We pay our fair share of taxes while pursuing tax efficiency and optimisation opportunities that are aligned with our business objectives and in accordance with the applicable laws and regulations. We disclose our tax information to the relevant authorities and stakeholders in a timely and accurate manner and engage in constructive dialogue with them to resolve any disputes or uncertainties. We seek to minimize our tax risks and exposures by implementing robust governance and control frameworks, and by adhering to the highest ethical standards and best practices in tax management. Internal assessments are carried out to validate the accuracy and timeliness of tax returns.

Stakeholder Engagement on Tax Matters

Stakeholder engagement on tax matters is an integral part of our corporate responsibility and governance. We maintain regular engagements with ZIMRA Client Relationship Managers to confirm whether all our tax affairs are in order. We engage internal auditors, external auditors, external tax consultants, lawyers and Innscor Africa Limited Company experts on other tax developments and improvements on current practices. Engaging with our stakeholders has been instrumental in informing the direction we take in the event of contentious tax areas with ZIMRA. This approach has always produced the most reasonable methods to deal with tax issues for National Foods Limited.

National Foods has always been an avid taxpayer over the years, with no history of tax evasion. Our business performance determines the extent of tax payments to Government through Corporate Tax, Value Added Tax, Capital Gains and other tax heads.

Community Investment and Development (continued)

Tax Management (continued)

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 2024 amounted to USD 11 644 034.

Key contributions to the fiscal revenue in 2024 were through the payment of Income Tax (22%), Import Duty (19%) Intermediate Money Transfer Tax (IMTT) (13%), Value Added Tax (VAT) (8%) and Other Taxes (38%),

	2024 US$	2023 US$	2022 US$	2021 US$	2020 US$
Corporate Tax	2 578 712	3 885 758	4 474 168	1 459 146	4 463 936
Intermediate Money Transfer Tax (IMTT)	1 499 494	2 915 453	2 359 308	1 633 282	705 141
Value Added Tax (VAT)	995 237	198 105	206 797	92 411	2 624 695
Import Duty	2 168 695	1 862 131	1 286 725	811 182	116 784
Other Taxes	4 401 896	3 648 024	3 852 872	4 817 902	3 781 350
Total	**11 644 034**	**12 509 470**	**12 179 870**	**8 813 924**	**11 691 908**

Annual Financial Statements

Statement of Directors' Responsibility

The Directors of National Foods Holdings Limited and its associates 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's financial statements have been prepared in accordance with the measurement and recognition principles of IFRS Accounting Standards and in the manner required by the Companies and Other Business Entities Act (Chapter 24:31).The non-compliance due to a departure from the requirements of IAS 21 - (The effects of changes in foreign exchange rates), IAS 8 (Accounting Policies, Changes in Accounting Estimates and Errors) and IAS 16 (Property, Plant and Equipment) impacting the 2023 financial statements, do not have a carryover impact on the 2024 financial statements.

The financial statements have been prepared under the historical cost convention except for property, plant and equipment, 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 2024, which appear on pages 125 to 167 have been approved by the Board of Directors and are signed on its behalf by:

E.I. Manikai
Chairman
Harare
26 September 2024

M. Lashbrook
Chief Executive Officer

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

L. Nyandoro
Group Finance Director

Report of the Directors

The Directors have pleasure in presenting their report, together with the audited financial statements for the year ended 30 June 2024.

GROUP FINANCIAL RESULTS

	2024 US$	2023 US$
Profit before tax	19 063 802	9 767 022
Tax expense	(5 307 616)	(2 237 155)
Profit for the year	13 756 186	7 529 867
Other comprehensive income	—	—
Total comprehensive income for the year	**13 756 186**	**7 529 867**

Share Capital
During the year the authorised share capital remained at 73 000 000 ordinary shares of US$0.01 each. No new shares were issued during the year (2023: Nil) however there was a share buyback of 164 116 shares at $1,30 per share and the closing number of shares in issue was 68 235 992 (2023: 68 400 108).

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 National Foods Holdings Limited "The Company". Through donations by the Company to the Trust, the Trust held a 9.55% shareholding in National Foods Holdings Limited as at 30 June 2024. 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.

Dividends
The Board is pleased to declare a final dividend of US$3.29 cents per share (2023: US$1.15 cents per share) in respect of all ordinary shares of the Company bringing the total dividend to US$6.71 cents per share (2023: US$4.05). This dividend is in respect of the financial year ended 30 of June 2024 and will be payable to all shareholders of the Company registered at the close of business on the 11th of October 2024.

The payment of the final dividend will take place on or around the 8th of November 2024. The shares of the Company will be traded cum-dividend on the Victoria Falls Stock Exchange up to the market day of the 8th of October 2024 and ex-dividend from the 9th of October 2024.

Report of the Directors (continued)

Directorate

The following changes to the National Foods Holdings Limited occurred during the financial year ending 30 June 2024:

- Mr. Todd Moyo resigned as Chairman of the Board effective 22 January 2024, after serving for 23 years. Mr. Moyo will continue to contribute to the Board of National Foods Holdings Limited as a Non-Executive Director.
- Mr. Edwin Isaac Manikai was appointed as the new Independent Non-Executive Chairman, effective 24 January 2024.
- Mr. Noel Doyle resigned from Tiger Brands Limited and the Board on 31 October 2023
- As a consequence of Mr. Doyle's resignation, Mr. Tjaart Kruger was appointed as a Non-Executive Director of the Board of National Foods Holdings Limited with effect from 14 November 2023
- Mr. Manojkumar Bhikabhai Naran resigned from Tiger Brands Limited and the Board on the 29th of February 2024.
- As a result of Mr. Naran's resignation, Mr. Thushen Agambaram Govender was appointed to the Board with effect from 13 March 2024 as a Non-executive director.
- Mr. Yokesh Maharaj also resigned as an Alternate Director of National Foods Holdings Limited, effective 24 January 2024, having served since 17 February 2022.

The Board expresses its gratitude for the invaluable contributions made by the outgoing members and wishes them all the best in their future endeavours.

Audit Fees

Members will be asked to approve the remuneration of Deloitte & Touche for the past audit .Which is detailed below:

	2024	2023
Auditor's remuneration for the year 30 June 2024		
Deloitte & Touche (Zimbabwe)		
Financial statements audit fees	185 000	185 000
Non-assurance fees	71 381	7 612
Total fees	**256 381**	**192 612**

Appointment of Auditors

The Deloitte & Touche Zimbabwe country practice will exit the Deloitte Africa and Deloitte network on or about 31 October 2024. Post exit, of Deloitte & Touche,Zimbabwe, the local partnership will take over the Zimbabwe country practice under the name Axcentium and will continue to serve the market. Members are asked to confirm the appointment of Messrs Axcentium as the auditors of the Group until the conclusion of the next Annual General Meeting.

Annual General Meeting

The fifty-fifth Annual General Meeting of the Company will be held on 19 November 2024 at National Foods Limited, 10 Stirling Road Workington, Harare.

E.I. Manikai
Chairman
Harare
26 September 2024

M. Lashbrook
Chief Executive Officer

Deloitte.

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Independent Auditor's Report

ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

TO THE SHAREHOLDERS OF NATIONAL FOODS HOLDINGS LIMITED

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the consolidated financial statements of National Foods Holdings Limited and its subsidiaries (together "the Group"), set out on pages 125 to 167, which comprise the consolidated statements of financial position as at 30 June 2024, 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, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 30 June 2024, 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 Qualified Opinion

Comparative financial information: Non-compliance with IAS 21 "The effects of changes in foreign exchange rates", IAS 8 "Accounting policies, changes in accounting estimates and errors" and IAS 16 "Property, Plant and Equipment" with respect to the translation of balances on change in functional currency

During the prior year, the Group changed its functional currency from the Zimbabwe Dollar (ZWL) to United States Dollar (US$) on 1 July 2022. The Group adopted US$ opening balance amounts on 1 July 2022 that the Directors determined by applying the spot rates on dates that transactions initially arose and adopted a change in accounting policy for property, plant, and equipment to the revaluation method retrospectively. This was not in compliance with the requirements of IAS 21 which requires determination of the opening US$ balances using the spot rate at the date of change in functional currency and the prospective adoption of the change to a revaluation model as required by IAS 8 "Accounting policies, changes in accounting estimates and errors" and IAS 16 "Property, plant and Equipment".

The above matter only impacts the comparative financial information. Our opinion on the current year's consolidated financial statements is modified because of the possible effects of the matter on the comparability of the current year's consolidated financial statements with those of the prior year.

Independent Auditor's Report (continued)

Basis for Qualified Opinion (continued)

Comparative financial information: Non-compliance with IAS 21 "The effects of changes in foreign exchange rates" with respect to the determination of the appropriate spot rate

During the prior year, the Group utilised an internally generated exchange rate, which had been determined through the Group's trading arrangements, to convert ZWL local transactions to US$ functional currency. This was not in compliance with the requirements of IFRS Accounting Standards which requires the use of the official spot rate, a rate which should be determined using the Foreign Exchange Auction Trading System, as published by the Reserve Bank of Zimbabwe ("Auction Rate" interbank and, or the "official spot rate").

The above matter only impacts the comparative financial information. Our opinion on the current year's financial statements is modified because of the possible effects of the matter on the comparability of the current year's financial statements with those of the prior year.

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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Other than the matter described in the Basis for Qualified Opinion section, we have not determined any other key audit matters to be communicated in our report.

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), performance review report, governance report and sustainability report which we obtained prior to the date of this auditor's report and the Annual Report, which is 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. As described in the Basis for Qualified Opinion section, we have concluded that the other information relating to the comparative period is misstated as a result of matters detailed therein.

Independent Auditor's Report (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 forone 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 onthe 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 areinadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor'sreport. 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 thatachieves 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.

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

Independent Auditor's Report (continued)

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued)

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

Report on Other Legal and Regulatory Requirements

In 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)

Except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, 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 2024.

Section 193(2)

We have no matters to report in respect of the Section 193(2) of the Act, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report.

Deloitte & Touche

Deloitte & Touche
Registered Auditor
Per: Lawrence Nyajeka
Partner
PAAB practice certificate number: 0598

26 September 2024

Consolidated Statement of Profit or Loss and other Comprehensive Income

for the year ended 30 June 2024

	Note	2024 US$	2023 US$
Revenue	4	**359 355 740**	**343 577 747**
Cost of raw materials	13	(277 716 498)	(271 506 158)
Profit before items listed below		**81 639 242**	**72 071 589**
Other trading income	5.1	386 770	448 085
Operating expenses	5.2	(57 679 142)	(49 166 531)
Operating profit before depreciation, financial loss, interest, equity accounted earnings and tax		**24 346 870**	**23 353 143**
Financial gain/(loss)	5.3	868 635	(5 085 818)
Depreciation	5.4	(4 990 729)	(4 121 541)
Operating profit before interest, equity accounted earnings and tax		**20 224 776**	**14 145 784**
Interest income	5.5	1 096 327	477 000
Interest expense	5.5	(2 596 524)	(5 184 135)
Equity accounted earnings	11.2	339 223	328 373
Profit before tax		**19 063 802**	**9 767 022**
Tax expense	6.1	(5 307 616)	(2 237 155)
Profit for the year		**13 756 186**	**7 529 867**
Other comprehensive income		—	—
Total comprehensive income for the year		**13 756 186**	**7 529 867**
Profit for the year attributable to equity holders of the parent		**13 756 186**	**7 529 867**
Total comprehensive income for the year attributable to equity holders of the parent		**13 756 186**	**7 529 867**
Earnings per share (cents)			
Basic and diluted earnings per share	7	20.11	11.01

Consolidated Statement of Financial Position

as at 30 June 2024

	Note	2024 US$	2023 US$
ASSETS			
Non-current assets			
Property, plant and equipment	8	94 842 874	86 199 776
Investment property	9	1 502 676	1 502 676
Goodwill	10	324 503	324 503
Investment in associates	11.2	2 197 716	1 858 493
Other assets	12.1	7 828 040	7 037 079
Right of use assets	22.1	604 826	143 354
		107 300 635	**97 065 881**
Current assets			
Inventories	13	36 428 366	47 040 426
Trade and other receivables	14	38 701 615	35 027 335
Other assets	12.1	604 917	1 965 372
Current tax receivable	6.3	113 130	397 317
Cash & cash equivalents	18.3	7 663 616	3 810 383
		83 511 644	**88 240 833**
Total assets		**190 812 279**	**185 306 714**
EQUITY AND LIABILITIES			
Equity			
Share capital	15.1	682 360	684 001
Revaluation reserve	15.3	37 137 697	37 137 697
Distributable reserves	15.4	79 240 199	68 825 785
Treasury shares	15.5	1 641	—
		117 061 897	**106 647 483**
Non-current liabilities			
Deferred tax liability	6.5	12 852 292	10 408 006
Lease liability	22.2	363 961	—
		13 216 253	**10 408 006**
Current liabilities			
Trade and other payables	17	45 251 696	53 368 460
Current portion of lease liability	22.2	241 200	100 197
Borrowings	12.2	15 041 233	14 782 568
		60 534 129	**68 251 225**
Total equity and liabilities		**190 812 279**	**185 306 714**

E.I. Manikai
Chairman
Harare
26 September 2024

M. Lashbrook
Chief Executive Officer

Consolidated Statement of Cash Flows

for the year ended 30 June 2024

	Note	2024 US$	2023 US$
OPERATING ACTIVITIES			
Cash generated from operations	18.1	27 555 506	13 251 346
Working capital changes	18.2	(3 383 269)	13 105 772
Operating cash flow		24 172 236	26 357 118
Interest income		1 023 493	477 000
Interest expense		(2 596 524)	(5 184 135)
Income tax paid	6.3	(2 579 143)	(3 885 758)
Net cash inflows from operating activities		**20 020 062**	**17 764 225**
INVESTING ACTIVITIES			
Purchase of property, plant and equipment to maintain operations	8	(1 510 618)	(2 217 102)
Purchase of property, plant and equipment to expand operations	8	(12 052 280)	(17 910 331)
Proceeds from disposal of property, plant and equipment		75 535	—
Proceeds from sale of associate - Pure Oil		1 360 455	10 539 545
(Increase) in other investments		(790 960)	—
Net cash outflows from investing activities		**(12 917 867)**	**(9 587 888)**
FINANCING ACTIVITIES			
Proceeds from borrowings	12.2	6 567 429	2 691 766
Repayment of borrowings	12.2	(6 308 764)	(2 645 108)
Lease liability repayments	22.2	(158 116)	(190 696)
Share buy back	15.5	(215 887)	—
Dividends paid	16	(3 125 885)	(6 386 801)
Net cash outflow from financing activities		**(3 241 223)**	**(6 530 839)**
Net increase in cash and cash equivalents		3 860 971	1 645 498
Net foreign exchange difference on cash and cash equivalents		(7 738)	50 611
Cash and cash equivalents at beginning of the year		**3 810 383**	**2 114 274**
Cash and cash equivalents at the end of the year	18.3	**7 663 616**	**3 810 383**

Consolidated Statement of Changes in Equity

for the year ended 30 June 2024

	Notes	Share Capital US$ 15.1	Revaluation Reserve US$ 15.2	Distributable Reserves US$ 15.4	Treasury Shares US$ 15.5	Total US$
Balance at 30 June 2022		**684 001**	**37 137 697**	**67 349 353**	**—**	**105 171 051**
Profit for the year		—	—	7 529 867	—	7 529 867
Other comprehensive income		—	—	—	—	—
Total comprehensive income		—	—	7 529 867	—	7 529 867
Dividends declared	16	—	—	(6 053 435)	—	(6 053 435)
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
Other comprehensive Income		—	—	—	—	—
Total comprehensive income		—	—	13 756 186	—	13 756 186
Share buy back		(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**

Notes to the Consolidated Financial Statements

for the year ended 30 June 2024

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 stockfeed, cereals, pasta, snacks and biscuits and the packaging and sale of other general household goods.

The consolidated financial statements of National Foods Holdings Limited for the year ended 30 June 2024 were authorised for issue in accordance with a resolution of the Directors on 26 September 2024

1.1 Statement of compliance

The Group's financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the IFRS Accounting Standards Board (IASB) and the Companies and Other Business Entities Act (Chapter 24:31). The consolidated financial statements are in compliance with IFRS. The non-compliance due to a departure from the requirements of IAS 21 - (The effects of changes in foreign exchange rates), IAS 8 (Accounting Policies, Changes in Accounting Estimates and Errors) and IAS 16 (Property, Plant and Equipment) impacting the 2023 financial statements do not have a material carryover impact on the 2024 financial statements.

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 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 affects 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 2024

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 2023 and therefore came into effect at the beginning of the year ended 30 June 2024. These standards have no material effect on the Group.

Description	Effective for annual periods beginning on or after	
IFRS 17, 'Insurance contracts'	1 January 2023	N/A
IFRS 17, Insurance contracts Amendments	1 January 2023	N/A
Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction – (Amendments to IAS 12 Income Taxes)	1 January 2023	Applicable
Narrow scope amendments to IAS 1 'Presentation of Financial Statements', Practice statement 2 and IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'	1 January 2023	Applicable
Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4)	1 January 2023	Applicable
Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)	1 January 2023	Applicable
Definition of Accounting Estimates (Amendments to IAS 8)	1 January 2023	Applicable
International Tax Reform Pillar Two Model Rules (Amendments to IAS 12)	1 January 2023	Applicable
Amendments to IAS 1 – Classification of Liabilities as Current or Non-current	1 January 2023	Applicable
International Financial Reporting Standards, interpretations and amendments issued but not effective		
Amendments to IFRS 16-Lease liability in a sale and leaseback	1 January 2024	N/A
Amendments to IAS 7 and IFRS 7-Supplier Finance Arrangements	1 January 2024	N/A
Amendments to IAS 1-Non Current liabilities with Covenants	1 January 2025	Applicable
Amendments to IAS 21-Lack of exchangeability	1 January 2025	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 2024

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 is 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 is 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 2024

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 VAT amount 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 di er from those of the tax authorities, thereby creating uncertainties in tax positions. In the last few years, the Zimbabwe 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, so far, paid USD 3.38 million under the "pay now, argue later" principle. The legislative gaps giving rise to differences in interpretations remain.

Shareholders are further advised that the above update on uncertain tax positions has been issued prior to the Finance Bill, 2024 becoming law; this Bill is currently in the Senate for debate and might have a material effect and consequences of the tax position of the Group.

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 appropriate valuation techniques 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 2024

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 ("SaaS") for the upfront configuration and customisation costs incurred in implementing the Enterprise Resource Planning 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 2024

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. 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 property's 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 21.

Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2024

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 goods 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 2024

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, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and 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 market place (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 2024

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 2024

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 2024

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 associates 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 2024

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 includes 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 recognised 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 8.2. 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. In 2024, there has not been a full valuation because our professional valuers determined that there have not been significant movements in the USD values. A full valuation was therefore not necessary.

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 2024

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 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.

3.7 Allowance for obsolete stock

The provision is mainly recognised 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 2024

	2024 US$	2023 US$
4. REVENUE		
Revenue from contracts with customers:		
Milling and manufacturing	359 146 145	343 404 584
Properties	209 595	173 163
	359 355 740	**343 577 747**
The revenue was recognised at a point in time in accordance with IFRS 15.		
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	365 309	432 038
Sale of scrap	17 460	16 047
Bad debts recoveries	4 001	—
	386 770	**448 085**
5.2 Operating expenses		
Analysis of operating expenses:		
Staff costs	16 740 002	15 222 233
Distribution costs	17 401 822	10 919 617
Electricity and generator	5 913 383	3 641 101
Marketing	1 313 372	1 361 670
Repairs and maintenance	3 700 699	2 915 453
Value added tax on exempt supplies	1 829 987	—
Intermediated Money Transfer tax	1 499 494	2 469 531
Bank charges	989 241	952 466
External audit fees	185 000	185 000
Directors fees	103 828	56 985
Allowance for expected credit loss	77 525	286 798
Bad debts written off	15 900	—
Other	7 908 889	11 155 677
Total	**57 679 142**	**49 166 531**
5.3 Financial gain/(loss)		
Foreign exchange losses	848 597	(5 085 818)
Profit on disposal of property, plant and equipment	20 038	—
	868 635	**(5 085 818)**
5.4 Depreciation		
Buildings	1 208 645	981 072
Plant, machinery and equipment	3 114 374	2 555 663
Motor vehicles	464 927	454 778
Total depreciation from Property, plant and equipment	**4 787 946**	**3 991 513**
Right of use asset	202 783	130 028
Total depreciation expense	**4 990 729**	**4 121 541**

Notes to the Consolidated Financial Statements (continued)
for the year ended 30 June 2024

	2024 US$	2023 US$
5. PROFIT BEFORE TAX (continued)		
5.5 Interest		
Interest income	1 096 327	477 000
Interest income was earned from positive bank balances, other assets carried at amortised cost and from interest charged on overdue customer balances.		
Interest expense	(2 596 524)	(5 184 135)
Interest expense on lease liability	(83 084)	(35 845)
Interest expense on short term borrowings	(2 513 440)	(5 148 290)
Net interest	**(1 500 197)**	**(4 707 135)**
Interest expense arose mainly from lease finance charges and bank borrowings.		
6. TAXATION		
6.1 Income tax expense		
Current tax	2 863 330	1 189 262
- On current profits at normal rates	2 863 330	1 110 578
- Adjustments of prior period over provision	—	78 684
Deferred tax arising from temporary differences (note 6.5)	2 010 827	1 047 893
Deferred tax relating to effect of rate change (24.72% to 25.75%) (note 6.5)	433 459	—
	5 307 616	**2 237 155**
6.2 Reconciliation of income tax charge:		
Profit before tax	19 063 802	9 767 022
Income tax computed at 24.72%	4 712 572	2 414 408
Non-deductible expenses for tax purposes	245 441	126 175
Impact of change in tax rate	433 459	—
Equity accounted earnings	(83 856)	(81 174)
Other reconciling items	—	(222 254)
	5 307 616	**2 237 155**
Non-deductible expenses are mainly IMT Tax and staff meals		
Other reconciling items include local and foreign bank interest received.		
6.3 Current (tax receivable)		
Opening Balance	(397 317)	2 299 179
Charge to profit or loss	2 863 330	1 189 262
Paid	(2 579 143)	(3 885 758)
Closing Balance	**(113 130)**	**(397 317)**

Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2024

	2024 %	2023 %
6. TAXATION (continued)		
6.4 Tax rate reconciliation		
Statutory rate of taxation. Inclusive of AIDS levy	24.72%	24,72%
Adjusted for:		
Tax on profit from associate	-0.44%	-1.32%
Foreign income	-0.03%	1.96%
Donations, fines and legal expenses	0.51%	0.02%
Intermediated Money Transfer Tax	1.94%	-0.07%
Change in tax rate from 24.72% to 25.75%	2.27%	0.00%
Other	-1.14%	-0.94%
Effective tax rate	**27.84%**	**23.70**

	2024 US$	2023 US$
6.5 Deferred tax liability		
At beginning of the year	10 408 006	9 360 113
Deferred tax relating to current temporary differences (note 6.1)	2 010 827	1 047 893
Deferred tax relating to effect of rate change (24.72% to 25.75%)	433 459	—
At end of the year	**12 852 292**	**10 408 006**
Analysis of deferred tax liability		
Property, plant and equipment	13 476 842	10 803 964
Unrealised exchange gain/(loss)	34 707	(50 612)
Allowance for credit losses	(59 935)	(216 614)
Other	(599 322)	(128 732)
	12 852 292	**10 408 006**

7. EARNINGS PER SHARE

Basic earnings basis

Basic earnings per share amounts are calculated by dividing the net profit 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 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.

National Foods Holdings Limited

Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2024

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:

	2024 US$	2023 US$
7.1 Weighted average number of shares in issue		
Weighted average shares in issue for basic, diluted and headline earnings per share	68 235 992	68 400 108
7.2 Profit for the year		
Net profit attributable to equity holders of the parent	13 756 186	7 529 867
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	13 756 186	7 529 867
Adjusted for capital items:		
Profit on disposal of property, plant and equipment	(20 038)	—
Financial income arising from other assets write down	—	(790 588)
Tax effect on financial loss	4 849	195 433
Headline earnings	**13 740 997**	**6 934 713**
Basic and diluted earnings per share (cents)	20.11	11.01
Headline earnings per share (cents)	20.09	10.14

Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2024

	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 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)
Transfers from work in progress**	6 737 500	(1 814 741)	26 783	(4 949 542)	—
Derecognition/write off of assets	—	—	(20 200)	(61 007)	(81 207)
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 of assets	—	—	4 848	—	4 848
At end of the year	**(2 357 457)**	**(5 460 978)**	**(904 89)**	**—**	**(8 723 329)**
Carrying amount	**44 462 193**	**25 525 156**	**1 660 858**	**23 194 667**	**94 842 874**
At 30 June 2023					
Valuation					
At the beginning of the year	38 896 503	20 081 561	1 583 011	11 006 352	71 567 427
Additions	720 822	3 749 805	320 244	15 336 562	20 127 433
Exchange differences	(895)	—	—	—	(895)
Transfer from capital work in progress	—	5 802 887	—	(5 802 887)	—
Reclassification to investment property	(1 502 676)	—	—	—	(1 502 676)
At end of the year	**38 113 754**	**29 634 253**	**1 903 255**	**20 540 027**	**90 191 289**
Depreciation					
At beginning of the year	—	—	—	—	—
Charge for the year	(981 072)	(2 555 663)	(454 778)	—	(3 991 513)
At end of the year	**(981 072)**	**(2 555 663)**	**(454 778)**	**—**	**(3 991 513)**
Carrying amount	**37 132 682**	**27 078 590**	**1 448 477**	**20 540 027**	**86 199 776**

* Capital work in progress is stated at cost.
** Transfers from Work In Progress are assets that have been capitalised when they became ready for use.

Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2024

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

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 m²	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 2024

8. PROPERTY, PLANT AND EQUIPMENT (continued)

If property, plant and equipment was 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 2022	**30 225 235**	**19 764 324**	**1 566 119**	**51 555 678**

	2024 US$	2023 US$
9. INVESTMENT PROPERTY		
Carrying amount at the beginning of the year	1 502 676	—
Reclassification from property, plant and equipment	—	1 502 676
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 (2023: US$1 502 676)

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 valued properties. The valuation was performed at 30 June 2022. Management believes that there have been no significant changes in the properties' market that would have such a material impact on the valuation and as such the value of the investment property has been maintained at US $1 502 676. Fair values were determined with regards to recent market transactions for similar properties in the same location as the investment property. The Company's lease arrangements, which were 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 2 of the fair value hierarchy.

Quantitative disclosures fair value measurement hierarchy for assets:

	Fair value measurement using			Fair value
	Quoted prices in active markets (Level 1) US$	Significant observable inputs (Level 2) US$	Significant unobservable inputs (Level 3) US$	US$
As at 30 June 2024				
Investment property measured at fair value				
Office, retail and industrial buildings	—	1 502 676	—	1 502 676
As at 30 June 2023				
Investment property measured at fair value				
Office, retail and industrial buildings	—	1 502 676	—	1 502 676

Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2024

	2024 US$	2023 US$
10. GOODWILL		
Net carrying amount at the beginning of the year	324 503	379 105
Impairment	—	(54 602)
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)

As at 30 June 2024, management performed an impairment assessment and concluded that goodwill was not impaired (2023: US$54 602).

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 principle 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 financial statements:

	2024 US$	2023 US$
Income Statement		
Revenue	11 832 551	11 422 366
Profit after tax	678 446	656 746
Group's share of profit - 50%	339 223	328 373
Statement of Financial Position		
Non current assets	3 996 180	3 242 125
Current assets	1 886 944	1 336 966
Non current liabilities	(131 494)	(76 316)
Current liabilities	(1 356 199)	(785 789)
Equity	4 395 431	3 716 986
Group's share of equity - 50%	2 197 716	1 858 493
Group's carrying amount of investment	2 197 716	1 858 493

Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2024

	2024 US$	2023 US$
11. INVESTMENT IN ASSOCIATES (continued)		
11.2 Reconciliation of movements in associates		
Balance at the beginning of the year	1 858 493	1 530 120
Equity accounted earnings - National Foods Logistics	339 223	328 373
Balance at the end of the year	**2 197 716**	**1 858 493**
12. OTHER ASSETS AND LIABILITIES		
12.1 Other assets		
Debt instruments at amortised cost		
Current		
Disposal proceeds receivable	—	1 360 455
Other receivable	604 917	604 917
Total	**604 917**	**1 965 372**
Non Current		
Zimra receivable	3 400 305	2 737 895
Debenture	2 040 000	2 020 000
Loan receivable	1 857 108	1 801 392
Treasury bills*	530 627	477 792
Total	**7 828 040**	**7 037 079**
Total other assets		
Total current	604 917	1 965 372
Total non-current	7 828 040	7 037 079
	8 432 957	**9 002 451**

* The Group has foreign legacy liabilities amounting to US$1 199 236, being foreign liabilities that were due and payable on 22 February 2019 when the authorities promulgated SI33/2019 which introduced the ZW$ currency. The foreign liabilities were registered and approved by the Reserve Bank of Zimbabwe, ("RBZ"), and the Group transferred to the RBZ the ZW$ equivalent of the foreign liabilities based on an exchange rate of US$/ZW$, 1:1 in line with Exchange Control Directives RU102/2019 and RU28/2019 and as directed by the RBZ. In September 2022, RBZ issued Treasury Bills (TBs) in respect of the deposit made by the Group. The Treasury Bills were issued at face value, with zero interest and have differing maturity tenures ranging from August 2025 to November 2042. In compliance with IFRS 9, the legacy debt was derecognised and the treasury bills were recognised. Management engaged an external valuer to determine the fair value of the TBs at initial recognition. Treasury Bills are traded on an Over the counter (OTC) market which is a secondary market that is less regulated, less transparent and less liquid. In a secondary market, zero coupon bonds are traded at discount rates agreed by the counter parties. The valuer gathered information on the prevailing discount rates and discounted the treasury bills to determine the fair value. Subsequently, the treasury bills are measured at amortised cost using the effective interest rate of 12%. The Group is confident that the Government will honour the treasury bills due to the sovereign nature of the instrument and will continue to provide the necessary support.

Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2024

12. OTHER ASSETS AND LIABILITIES (continued)

12.2 Other financial liabilities	Average Interest rate	Maturity
Current interest-bearing loans and borrowings	10% - US$ loans (2023: 11%) ZW% loans (2023: 85%)	2024

	2024 US$	2023 US$
Bank loans	15 041 233	14 782 568
Total current interest-bearing loans and borrowings	**15 041 233**	**14 782 568**
Reconciliation of bank borrowings		
Opening balance	14 782 568	14 735 910
Repayment	(6 308 764)	(2 645 108)
Proceeds from borrowings	6 567 429	2 691 766
Closing balance	**15 041 233**	**14 782 568**
Undrawn facilities	1 929 637	4 380 577
	1 929 637	**4 380 577**
13. INVENTORIES		
Raw materials and packaging	24 226 864	28 907 907
Finished goods	8 747 607	12 029 885
Consumable stores	3 523 591	6 149 704
Allowance for obsolete stocks	(69 696)	(47 070)
	36 428 366	**47 040 426**

During 2024, US$22 226 (2023: US$9 394) was recognised as an expense in cost of sales for inventories written down to their net realisable value and US$277 716 498 (2023: US$271 506 158) was recognised for inventories consumed.

	2024 US$	2023 US$
14. TRADE AND OTHER RECEIVABLES		
Trade receivables	29 315 723	23 121 551
Allowance for credit losses	(232 757)	(876 270)
Net trade receivables	29 082 966	22 245 281
Prepayments	5 662 823	8 807 821
Other receivables	3 955 826	3 974 233
	38 701 615	**35 027 335**

Notes to the Consolidated Financial Statements (continued)
for the year ended 30 June 2024

	2024 US$	2023 US$
14. TRADE AND OTHER RECEIVABLES (continued)		
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	(876 270)	(589 472)
Current year allowances	(77 525)	(286 798)
Utilised	721 038	—
Balance at year end	**(232 757)**	**(876 270)**

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.

	2024 US$	2023 US$
14.3 Ageing of impaired trade and other receivables		
0 - 30 days	46 838	22 639
31 - 60 days	51 045	11 496
61 - 90 days	5 925	1 615
Over 90 days	128 948	840 520
Total	**232 757**	**876 270**
Average age on impaired trade and other receivables (days)	24	93

Notes to the Consolidated Financial Statements (continued)
for the year ended 30 June 2024

	2024 US$	2023 US$
15. ISSUED CAPITAL AND RESERVES		
15.1 Issued capital		
Authorised		
73 000 000 ordinary shares of US$1 cent each	730 000	730 000
Issued and fully paid		
68 235 992 ordinary shares (2023: 68 400 108) of US$ 1 cent each	682 360	684 001
Unissued shares		
4 764 008 (2023: 4 599 892) ordinary shares of US$ 1 cent each	47 640	45 999

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) and the Victoria Falls Stock Exchange regulations.

15.2 Directors' shareholdings

At 30 June 2024, the Directors held directly or indirectly the following shares in the Company:

	2024 Number of shares	2023 Number of shares
M. Lashbrook	231	231

	2024 US$	2023 US$
15.3 Revaluation reserves		
Opening balance	37 137 697	37 137 697
Reclassification from distributable reserves	—	—
Closing balance	**37 137 697**	**37 137 697**
The revaluation reserve on revaluation of Property, plant and equipment at 1 July 2022.		
15.4 Distributable reserves		
Opening balance	68 825 785	67 349 353
Profit for the year	13 756 186	7 529 867
Dividend declared	(3 125 885)	(6 053 435)
Share buy back	(215 887)	—
Closing balance	**79 240 199**	**68 825 785**

Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2024

15. ISSUED CAPITAL AND RESERVES (continued)

15.5 Share Buy Back

Details of Share Buyback

During the year ended 30 June 2024, National Foods Limited initiated a share buyback program as authorised 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 164 116 of its own shares at an average price of $1.30 per share, amounting to a total consideration of $213 350.80.

Impact of Equity

The repurchased shares are held as treasury shares. The impact on the equity components as at 30 June 2024 is as follows:

- Share Capital: Decreased by $1,641 (par value of $0.01 per share for 164,116 shares).
- Treasury shares: Increased by $1,641 (cost of shares repurchased).
- Retained Earnings: Decreased by $215,887.80 (consideration paid of $213,350.80 and transaction charges of $2,537).

Purpose and Authorisation

The rationale behind this decision was that National Food Limited's shares were trading at a significant discount to the business's net asset value. Management believed that buying back some of the shares would bring the trading price up and close the gap between market capitalisation and the net asset value.

Reacquired shares

As at 30 June 2024, the total number of shares held in treasury is 164,116. These shares are presented as a separate line item within equity on the statement of financial position and are included in the calculation of earnings per share as the purchase was done at year end.

Financial Instruments Disclosure (IFRS 7)

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 maximising 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 2024 has been adjusted for the buyback of 164,116 shares.

- Basic EPS: The weighted average number of shares outstanding during the period has been reduced by 164,116 shares (weighted effect of the buyback during the year).
- Basic EPS: The weighted average number of shares outstanding during the period has been reduced by 164,116 shares (weighted effect of the buyback during the year). Refer to note 7.

Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2024

	2024 US$	2023 US$
16. DIVIDEND		
Declared and paid during the year:		
Final dividend for 2023: US$ 1.15 cents per share (2022: US$ 54.16 cents per share)	786 601	3 704 393
Interim dividend for 2024: US$3.43 cents per share (2023: US$ 2.90 cents per share)	2 339 284	2 349 042
Total dividends declared and or paid	**3 125 885**	**6 053 435**
Settlement of prior year shareholders for dividends	—	333 366
Total dividends paid	**3 125 885**	**6 386 801**
Proposed and approved (not recognised as a liability at 30 June 2024)		
Final dividend for 2024:US$3.29 cents per share (2023:US$1.15)	2 250 360	786 601
SHAREHOLDERS FOR DIVIDEND		
Opening balance	—	333 396
Dividend paid	(3 125 885)	(6 386 801)
Dividend declared	3 125 885	6 053 405
Closing balance	**—**	**—**
17. TRADE AND OTHER PAYABLES		
Trade payables	40 196 049	50 389 823
Leave pay allowance	385 781	345 272
Other payables	4 669 866	2 633 365
	45 251 696	**53 368 460**

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.

Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2024

	2024 US$	2023 US$
18. CASH FLOW INFORMATION		
18.1 Cash generated from operations		
Profit before tax	19 063 802	9 767 022
Interest income	(1 096 326)	(477 000)
Interest expense	2 596 524	5 184 135
Depreciation (Note 5.4)	4 990 729	4 121 541
Allowance for obsolete inventory (Note 13)	22 626	9 394
Allowance for credit losses (Note 14.2)	77 525	286 798
Unrealised foreign exchange gain/(loss)	127 047	(50 611)
Other assets	(1 178)	(5 317 737)
Leave pay provisions	119 112	—
Incentive provision	1 938 548	—
Write off Property, Plant and Equipment	76 358	—
Profit on disposal of property, plant and equipment	(20 038)	56 177
Equity accounted earnings (Note 11.1.2)	(339 223)	(328 373)
	27 555 506	**13 251 346**
18.2 Working capital changes		
Decrease/ (increase) in inventories	10 589 434	(50 498)
Increase in trade and other receivables	(3 678 970)	(1 597 738)
(Decrease)/increase in trade and other payables	(10 293 733)	14 754 008
	(3 383 269)	**13 105 772**
18.3 Cash and cash equivalents at end of year		
Cash at bank	7 663 616	3 730 129
Cash on hand	—	80 254
	7 663 616	**3 810 383**

Cash and cash equivalents consist of cash on hand, balances with banks. Cash at bank accrues interest at floating rates based on daily bank deposit rates.

	2024 US$	2023 US$
19. CAPITAL COMMITMENTS		
Capital expenditure commitments		
Authorised and contracted for	1 247 000	3 587 000
Authorised but not contracted for	8 098 369	7 891 000
	9 345 369	**11 478 000**

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

Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2024

20. PENSION SCHEMES

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

20.1 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%, (2024: US$222 723, 2023: US$225 927). These amounts are included in the staff costs shown under note 5.2

20.2 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.

21. RELATED PARTY TRANSACTIONS

21.1 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 37.45% (2023: 37.45%)

Name	Country of incorporation	2024 Equity Interest	2023 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%

Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2024

	2024 US$	2023 US$
21. RELATED PARTY TRANSACTIONS (continued)		
21.2 Transactions entered into with related parties		
Purchase of trading stocks, raw materials and services		
Innscor Africa Limited Group companies	123 329 593	144 882 633
National Foods Logistics	11 702 084	10 269 182
Sale of goods and Services		
Innscor Africa Limited Group companies	102 121 330	91 538 705
Interest and Management Fees		
Innscor Africa Limited Group companies		
- Management fees	863 500	621 609
Interest and Management Fees		
Tiger Brands Limited		
- Technical fees	240 000	240 000
21.3 Balances (due to) related parties		
Innscor Africa Limited Group companies	(30 162 090)	(45 817 861)
National Foods Logistics	(204 465)	(207 316)
21.4 Balances from related parties		
Innscor Africa Limited Group companies	3 173 613	7 620 871

21.5 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 arms 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 2024 the Group has not recorded any impairment of receivables relating to amounts owed by related parties (2023: 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.

	2024 US$	2023 US$
21.6 Directors emoluments		
Aggregate amounts paid by the Company and its subsidiaries to directors of the Company for:		
Directors' fees	103 828	52 681
	103 828	**52 681**

Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2024

	2024 US$	2023 US$
21. RELATED PARTY TRANSACTIONS (continued)		
21.8 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	2 759 239	2 427 666
Pension Contributions	83 634	73 584
	83 634	**2 501 250**

22. Leases

Group as a lessee

The Group entered into a leasing arrangement for a building that houses the Snacks and Biscuits operations in Willowvale under a 5-year lease with a renewal option. 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 asset recognised and the movements during the period:

	2024 US$	2023 US$
22.1 Right of use asset		
Opening carrying amount	143 354	273 382
Remeasurement	663 080	—
Depreciation expense	(202 783)	(130 028)
Carrying amount at 30 June	**604 826**	**143 354**
Set out below are the carrying amounts of lease liabilities and the movements during the period:		
22.2 Lease liability		
At beginning of the year	100 197	290 185
Remeasurement	663 080	(35 137)
Accretion of interest	83 084	35 845
Payments	(241 200)	(190 696)
At end of the year	**605 161**	**100 197**
Current	241 200	100 197
Non-current	363 961	—
	605 161	**100 197**

Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2024

22. Leases (continued)

22.2 Lease liability (continued)

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$3 122 266, US$ (2023: US$3 175 048).

Future minimum rentals receivable under non-cancellable operating leases as at 30 June 2024 are as follows:

	2024 US$	2023 US$
Within one year	234 746	193 942
After one year but not more than 5 years	294 466	272 475

23. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

23.1 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%.

	2024 US$	2023 US$
Interest bearing borrowings	15 041 233	14 782 568
lease liabilities	605 161	100 197
Less cash and cash equivalents	(7 663 616)	(3 810 383)
Net Debt	**7 982 778**	**11 072 382**
Total Equity	**117 061 896**	**106 647 483**
Gearing ratio	6.4%	9.4%

23.2 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.

Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2024

23. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

23.2 Financial risk management (continued)

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:

23.2.1 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.

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 2024.

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. 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 2024

23. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

23.2 Financial risk management (continued)

23.2.1 Credit risk (continued)

	<30 days US$$	30-60 days US$$	61-90 days US$$	>91 days US$$	Total US$$
30 June 2024					
Expected credit loss rate	0.2%	1.1%	3.3%	48.6%	
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
30 June 2023					
Expected credit loss rate	0.1%	0.7%	2.8%	29.3%	
Estimated total gross carrying amount at default	18 530 119	1 670 412	57 115	2 863 905	23 121 551
Expected credit loss	22 639	11 496	1 615	840 520	876 270

23.2.2 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 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	363 961	605 161
	45 251 697	**15 282 433**	**363 961**	**60 898 092**

Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2024

23. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

23.2 Financial risk management (continued)

23.2.2 Liquidity risk (continued)

	Less than 3 months US$	3-12 Months US$	1 - 5 years US$	Total US$
Year ended 30 June 2024				
Assets				
Trade and other receivables (excluding VAT and Prepayments)	33 038 792	—	—	33 038 792
Other assets	—	—	8 432 956	8 432 956
Cash and cash equivalents	7 663 616	—	—	7 663 616
	40 702 408	**—**	**8 432 956**	**49 135 365**
Liquidity gap	**4 549 289**	**15 282 433**	**(8 068 996)**	**11 762 727**
Year ended 30 June 2023				
Liabilities				
Borrowings	3 695 642	11 086 926	—	14 782 568
Trade payables and other payables (excludes income received in advance)	53 023 188	—	—	53 023 188
Lease liabilities	100 197	—	—	100 197
	56 819 027	**11 086 926**	**—**	**67 905 953**
Assets				
Trade and other receivables (excluding VAT and Prepayments)	20 221 896	2 023 385	—	22 245 281
Other assets	1 965 372	—	7 495 646	9 461 018
Cash and cash equivalents	3 810 383	—	—	3 810 383
	25 997 651	**2 023 385**	**7 495 646**	**35 516 682**
Liquidity gap	**30 821 376**	**9 063 541**	**(7 495 646)**	**32 389 271**

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 address 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.

23.2.3 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.

Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2024

23. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

23.2 Financial risk management (continued)

23.2.3 Market risk (continued)

23.2.3.1 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 2024, the Group's borrowings are at an average rate of interest of 10% and 80% for US$ loans and ZWG loans respectively (2023: 10% and 83% ,ZWL$) as shown in note 12.2.

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

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 2023 and 2022.
- The sensitivity of equity is calculated by considering the effect of any associated net investment in a foreign operation at 30 June 2023 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 and borrowings.

	2024 US$	2023 US$
Effect on profit before tax		
Increase of 3%	(45 006)	(31 914)
Decrease of 3%	45 006	31 914

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.

National Foods Holdings Limited

Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2024

23. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

23.2 Financial risk management (continued)

23.2.3 Market risk (continued)

23.2.3.2 Foreign currency risk (continued)

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:

	2024 US$	2023 US$
South African Rand	86 026	96 676
Botswana Pula	—	137 029
Zimbabwe Gold	43 124 950	677 364
Total	**43 210 976**	**911 070**

The Group is primarily exposed to the ZWG, Rand and Botswana Pula. The following table details the Group's sensitivity to a 10% strengthening in the US$ against the ZiG and 10% for the Rand and Botswana Pula (2023: 50% Zimbabwean dollar and 10% for the Rand and Botswana Pula). On 5 April 2024, the government of Zimbabwe introduced Zimbabwe Gold (ZWG) as the new currency in replacement of the Zimbabwean dollar. The sensitivity analysis includes any outstanding foreign currency denominated monetary items and adjusts their translation at period end for a 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.

	2024 US$	2023 US$
South African Rand	8 603	9 668
Botswana Pula	—	13 703
Zimbabwean dollar	292 353	338 682

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

Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2024

24. SEGMENTAL ANALYSIS

24.1 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, stockfeed, 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 2024				
Segment revenue				
External customers	359 146 145	209 595	—	359 355 740
Internal	—	2 912 671	(2 912 671)	—
Total revenue	**359 146 145**	**3 122 266**	**(2 912 671)**	**359 355 740**
Operating profit before interest, equity accounted earnings and tax	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 2024

24. SEGMENTAL ANALYSIS (continued)

24.1 Operating segment information (continued)

	Milling and Manufacturing US$	Properties US$	Intersegment adjustments US$	Group US$
Year ended 30 June 2023				
Segment revenue				
External customers	343 404 584	173 163	—	343 577 747
Internal customers	—	3 257 847	(3 257 847)	—
Total revenue	**343 404 584**	**3 431 010**	**(3 257 847)**	**343 577 747**
Operating profit	11 570 142	2 575 642	—	14 145 784
Interest income	433 419	111 574	(67 993)	477 000
Interest expense	(5 243 730)	(8 398)	67 993	(5 184 135)
Equity accounted earnings	328 373	—	—	328 373
Profit before tax	**7 088 204**	**2 678 818**	**—**	**9 767 022**
Tax expense	(1 632 557)	(604 598)	—	(2 237 155)
Segment assets	146 911 344	38 395 370	—	185 306 714
Segment liabilities	(72 606 152)	(6 053 079)	—	(78 659 231)
Net segment assets	**74 305 193**	**32 342 290**	**—**	**106 647 483**
Depreciation charge for the year	3 158 216	963 325	—	4 121 541
Capital expenditure	14 464 223	5 663 210	—	20 127 433
Number of employees	1 732	—	—	1 732

24.2 Geographical Information

The Group's trading operations are entirely housed in Zimbabwe. The Botswana Milling and Produce Company has no trading activities and holds non-current assets worth US$ (2024: 11 352, 2023: US$12 403). As such no further geographical information has been presented. Red Seal Manufacturers has no trading activities.

25. EVENTS AFTER THE REPORTING DATE

Final dividend declaration

The Board is pleased to declare a final dividend of US$ 3.29 cents per share (2023: US$1.15 cents per share) in respect of all ordinary shares of the Company. This dividend is in respect of the financial year ended 30th June 2024 and will be payable to all shareholders of the Company registered around mid-November.

26. 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 2024

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 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 2024, which appear on pages 172 to 173 have been approved by the Board of Directors and are signed on its behalf by:

E.I. Manikai
Chairman
Harare
26 September 2024

M. Lashbrook
Chief Executive Officer

Deloitte.

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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 accompanying separate financial statements of National Foods Holdings Limited ("the Company"), set out on pages 172 to 173 which comprise the separate statement of financial position for the year ended 30 June 2024, and the notes to the separate financial statements, including a summary of significant accounting policies.

In our opinion, the separate financial statements present fairly, in all material respects, the financial position of the Company for the year ended 30 June 2024 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 International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together 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.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the separate financial statements of the current period. These matters are addressed in the context of our audit of the separate financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have not determined any key audit matters to be communicated in our report.

MAKING AN IMPACT THAT MATTERS since 1845

Independent Auditor's Report (continued)

Other information

The directors are responsible for the other information. The other information comprises the company statement of Directors' responsibilities, 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 Annual Report, which is expected to be made available to us after that date. 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.

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 of Zimbabwe (Chapter 24:31) and relevant statutory instruments 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.

- 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 andappropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud ishigher 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 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.

Independent Auditor's Report (continued)

Auditor's responsibilities for the audit of the separate financial statements (continued)

- 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 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.

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

Report on other legal and regulatory matters

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 the Act and give a true and fair view of the state of the Company's affairs as at 30 June 2024.

Section 193(2)

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

Deloitte & Touche

Deloitte & Touche
Registered Auditor
Per: Lawrence Nyajeka
Partner
PAAB practice certificate number: 0598

26 September 2024

Company Statement of Financial Position

as at 30 June 2024

	Note	2024 US$	2023 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		682 360	684 001
Distributable reserves	E	7 297 741	7 297 741
Treasury shares	C	1 641	—
Total equity		**7 981 742**	**7 981 742**

E.I. Manikai
Chairman
Harare
26 September 2024

M. Lashbrook
Chief Executive Officer

Notes to the Company Financial Statements

for the year ended 30 June 2024

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. Refer to Directorate and Administration Section for additional corporate information. The Company is a dormant entity which comprises of the investments (see Note D) and the historical financial statements have remained unchanged since 2009.

B. Basis of Preparation

The consolidated financial statements are in compliance with IFRS Accounting standards. 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 with no transactions in the current and prior years. As a result there is no statement of comprehensive income, statement of cashflows and statement of changes in equity to present.

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.

Glossary of Terms

ACCA	Association of Chartered Certified Accountants
BEO	Best Environmental Option Approach
BRCGS	BRCGS Global Food Safety Standards For Packaging Materials - Natpak
BU	Business Unit
CAC	Codex Alimentarius Commission - Food & Agricultural Organisation of the United Nations
CCB	Cereal, Culinary and Baby Food SBU
CIM	Chartered Institute of Marketers
CIMA	Chartered Institute of Management Accountants
COLA	Cost of Living Adjustment
CZI	Confederation of Zimbabwe Industries
DEFRA	Department for Environment, Food and Rural Affairs, United Kingdom
EHS	Environmental Health & Safety
EMA	Environmental Management Act, Zimbabwe
EMA	Environmental Management Agency
EMS	Environmental Management Systems
FAO	Food Agriculture Organisation of the United Nations
FSSC	Food Safety System Certification
FMCG	Fast Moving Consumer Goods
FSMS	Safety and Manufacturing Systems
GHG	Greenhouse Gas
GFSI	Global Food Safety Initiative
GWP	Global Warming Potential
GMAZ	Grain Millers Association
HIRA	Hazard Identification and Risk Assessments
HPAZ	Health Professions Association of Zimbabwe
ICAZ	Institute of Chartered Accountants of Zimbabwe
ICSAZ	Institute of Chartered Secretaries and Administrators of Zimbabwe
IFC	International Financial Corporation
ILO	International Labour Organisation
IPA	Individual Performance Assessments
IPCC	Intergovernmental Panel on Climate Change
ISO	International Organisation for Standardisation
kWh	Kilowatt-hour
MSDS	Material Safety Data Sheet
MWh	Megawatt-hour
NEC	National Employment Council Zimbabwe
NSSA	National Social Security Authority, Zimbabwe
OSHA	Occupational Safety & Health
PAYE	Pay As You Earn
PriSA	Pristine Schools Awards
PVFS	The Pristine Victoria Falls Society
PVO	Private Voluntary Organisation
QMS	Quality Management Systems
SAGMA	South African Grain Millers Academy
SBU	Special Business Unit
SDGs	UN Sustainable Development Goals
SHE	Safety, Health & Environment
SMA	The Stockfeed Manufacturers Association of Zimbabwe
SOPs	Standard Operating Procedures
tonnesCO_2e	Tonnes of carbon dioxide equivalent
TOPP	Training Outside Public Practice
TVP	Textured Vegetable Protein
UNFCCC	United Nations Framework Convention on Climate Change
UNGP	United Nations Guiding Principles on Business and Human Rights
ZIE	Zimbabwe Institute of Engineers
ZNCC	Zimbabwe National Chamber of Commerce
ZIMRA	Zimbabwe Revenue Authority

GRI Content Index

Statement of use	National Foods Holdings Limited has reported the information cited in this GRI content index for the period 1 July 2023 to 30 June 2024 with reference to the GRI Standards.
GRI 1 used	**GRI 1: Foundation 2021**

GRI STANDARD	DISCLOSURE		LOCATION
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	2-29	Approach to stakeholder engagement	58 - 61
	2-30	Collective bargaining agreements	95
GRI 3: Material Topics 2021	3-1	Process to determine material topics	54 - 55
	3-2	List of material topics	55
	3-3	Management of material topics	51 - 56
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	113
	201-2	Financial implications and other risks and opportunities due to climate change	39, 88 - 91
	201-3	Defined benefit plan obligations and other retirement plans	105
GRI 203: Indirect Economic Impacts 2016	203-1	Infrastructure investments and services supported	108 - 112
	203-2	Significant indirect economic impacts	108 - 112

GRI Content Index (continued)

GRI STANDARD	DISCLOSURE		LOCATION
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	71
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	44 - 45
	205-2	Communication and training about anti-corruption policies and procedures	44 - 45
GRI 207: Tax 2019	207-1	Approach to tax	113 - 114
	207-2	Tax governance, control, and risk management	113 - 114
	207-3	Stakeholder engagement and management of concerns related to tax	113 - 114
	207-4	Country-by-country reporting	113 - 114
GRI 301: Materials 2016	301-1	Materials used by weight or volume	75
	301-2	Recycled input materials used	77
	301-3	Reclaimed products and their packaging materials	77
GRI 302: Energy 2016	302-1	Energy consumption within the organisation	82 - 85
	302-2	Energy consumption outside of the organisation	83
	302-4	Reduction of energy consumption	83 - 84
GRI 303: Water and Effluents 2018	303-1	Interactions with water as a shared resource	85
	303-2	Management of water discharge-related impacts	85
	303-3	Water withdrawal	85
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	90
	305-2	Energy indirect (Scope 2) GHG emissions	91
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	77
	306-2	Management of significant waste-related impacts	77
	306-3	Waste generated	77
	306-4	Waste diverted from disposal	77 - 78
	306-5	Waste directed to disposal	77 - 78
GRI 308: Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	70 - 71
	308-2	Negative environmental impacts in the supply chain and actions taken	70 - 71
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	95

GRI Content Index (continued)

GRI STANDARD	DISCLOSURE		LOCATION
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	99 - 101
	403-2	Hazard identification, risk assessment, and incident investigation	99
	403-3	Occupational health services	99 - 101
	403-4	Worker participation, consultation, and communication on occupational health and safety	99 - 100
	403-5	Worker training on occupational health and safety	99 - 100
	403-6	Promotion of worker health	101
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	99 - 101
	403-8	Workers covered by an occupational health and safety management system	101
	403-9	Work-related injuries	100
	403-10	Work-related ill health	101
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	104
	404-2	Programs for upgrading employee skills and transition assistance programs	104
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	96, 102 - 103
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	95
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	108 - 111
	413-2	Operations with significant actual and potential negative impacts on local communities	N/A
GRI 416: Customer Health and Safety 2016	416-1	Assessment of the health and safety impacts of product and service categories	51 and 78
GRI 417: Marketing and Labelling 2016	417-1	Requirements for product and service information and labelling	51, 66 - 67

Shareholders' Analysis

Shareholding	No. of shareholders	% of holders	Issued shares	% of shares
As at 30 June 2024				
1 - 1 000	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%
	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 Inividuals	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	**1 167**	**100.00%**	**68 235 992**	**100.00%**
At 30 June 2023				
1 - 1000	609	57.51%	194 314	0.28%
1 001 - 10 000	321	30.31%	1 066 099	1.56%
10 001 - 50 000	93	8.78%	2 009 161	2.94%
50001 and over	36	3.40%	65 130 534	95.22%
	1 059	**100.00%**	**68 400 108**	**100.00%**
Shareholders				
Bank and Nominees	68	6.42%	1 137 726	1.7%
Deceased Estates	8	0.76%	8 947	0.0%
External Companies	3	0.28%	25 618 665	37.5%
Insurance Companies/Societes	7	0.66%	147 054	0.2%
Pension Fund	180	17.00%	4 522 158	6.6%
Resident Inividuals	556	52.50%	686 247	1.0%
Non Residents	76	7.18%	427 174	0.6%
Investment, Trusts and Companies	161	15.20%	35 852 137	52.4%
Total	**1 059**	**100.00%**	**68 400 108**	**100.00%**

Major shareholders

The top ten shareholders of the Company at 30 June	2024 No. of shares	%	2023 No. of shares	%
Innscor Africa Limited	25 618 474	37.54%	25 618 474	37.45%
Tiger Foods Brands Limited - Nnr	25 618 474	37.54%	25 618 474	37.45%
National Foods Workers' Trust (Private) Limited	6 516 464	9.55%	6 516 464	9.53%
Old Mutual Life Ass Co Zim Ltd	2 554 617	3.74%	2 554 617	3.73%
Stanbic Nominees (Private) Limited	1 940 031	2.84%	1 998 475	2.92%
National Social Security Authority	1 404 160	2.06%	1 404 160	2.05%
Standard Chartered Bank Nominees	244 018	0.36%	247 237	0.36%
Zimbabwe Electricity Ind Pension Fund	195 511	0.29%	195 511	0.29%
Delta Beverages Pension Fund	194 046	0.28%	194 046	0.28%
Econet Wireless Zim Nominee	181 160	0.27%	181 160	0.26%

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Fifty Fifth 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 Wednesday, 18th December 2024 at 08:45 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 2024.

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. Michael Lashbrook, who retires by rotation in terms of the Articles of Association of the Company, and being eligible, offers himself for re-election.

   Mr. 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.

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

   Mr. 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 Finance Director; in January 2015, Julian accepted an 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.

To approve the appointment of Mr. Tjaart Kruger who was appointed as Non-Executive Director of the Company with effect from 14th November 2023 and who in terms of the Articles of Association of the company is required to retire from the Board at the Annual General Meeting and being eligible, offers himself for re-election.

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 (today 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. In 2011,prior to rejoining Tiger Brands in 2023, Tjaart served as CEO of Premier Foods until 2021.

To approve the appointment of Mr. Edwin I Manikai who was appointed as Non-Executive Chairman of the Company with effect from the 23rd of January 2024 and who in terms of the Articles of Association of the Company is required to retire from the Board at the Annual General Meeting and being eligible, offers himself for re-election.

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 38 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 several significant commercial transactions across all sectors of the economy. He is the current Chairman of the President's Advisory Council, Chairman of the Dadaya Mission Trust and sits on the Boards of the Reserve Bank of Zimbabwe and British American Tobacco Limited.

Notice of Annual General Meeting (continued)

ORDINARY BUSINESS (continued)

Directorate (continued)

2. To approve the appointment of Mr. Thushen Govender who was appointed as Non-Executive Director of the Company with effect from 13th March 2024, and who in terms of the Articles of Association of the Company is required to retire from the Board at the Annual General Meeting and being eligible, offers himself for re-election.

   Mr. Govender is a seasoned FMCG executive with leadership experience across various geographies. Before he was appointed Chief Financial Officer, he 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.

Directors' Fees

3. To approve Directors' remuneration for the financial year ended 30 June 2024.

Auditors' Fees and Appointment

4. a) To approve the fees of the Auditors for the financial year ended 30 June 2024.
   b) To appoint Axcentium, previously Deloitte & Touche Accountants (Zimbabwe) as Auditors for the Company, who have been Auditors for 4 years.

SPECIAL BUSINESS

Amendment of Articles of Association:

5. As a Special Resolution and pursuant to section 81 (6) of the Companies and Other Business Entities Act [Chapter 24:31], that the Company's Articles of Association be and are hereby amended, by the addition of a new Article 51A which reads as follows:

   Purchase of own shares:
   The Company may subject to the provisions of the Act and to sanction by a resolution of the members, purchase its own shares of any class (including any redeemable shares) or enter into such agreement (contingent or otherwise) in relation to the purchase of its own shares on such terms and in such manner as may be approved by such resolution and permitted by the Act. All prior purchases of the Company's shares, and any and all actions undertaken by the Company, its Directors, officers, or agents with the meaning and effect of such transactions, are hereby ratified, confirmed, and deemed fully authorised, with full effect under this Article.

   Explanatory Note to the Amendment of Articles of Association:
   The proposed amendment will update the Articles of Association to allow for share repurchases by the Company and ratification of all prior repurchases.

Approval of Loans to Executive Directors

6. To resolve the following ordinary resolution, with or without amendments:
   "That the Company be and is hereby authorised 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."

Notice of Annual General Meeting (continued)

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 (Cap 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 at least 48 (forty-eight) hours before the commencement of the meeting.

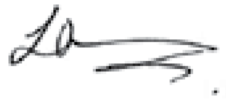
NOTES:

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
27 November 2024

The Annual Report for FY2024 and the Proxy Form for National Foods Holdings Limited's AGM are available to download at http://www.nationalfoods.co.zw

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.

PRINCIPAL BANKERS
First Capital Bank limited
(Formerly Barclays Bank of Zimbabwe Limited)
Stanbic Bank Limited
Standard Chartered Bank Limited

LEGAL ADVISER
Calderwood Bryce Hendrie and Partners
Central Africa House
Cnr. Jason Moyo Street and Leopald Takawira Avenue.
Bulawayo

LEGAL ADVISER
Dube, Manikai and Hwacha Legal Practitioners
6th floor, Gold Bridge Eastgate Mall
Cnr. Sam Nujoma Street and Robert Mugabe Road
Harare

AUDITORS
Deloitte & Touche
Chartered Accountants (Zimbabwe)
West Block, Borrowdale Office Park
Borrowdale Road
Harare

SUSTAINABILITY ADVISORS
Black Crystal Consulting Private Limited
33 Bayswater Road
Highlands
Harare
Box 9111 Harare

Proxy Form

PROXY FORM - AGM Wednesday 18th December 2024

I/We ______________________ of ______________________

Being the registered owner(s) of ______________________

ordinary shares in the above named Company hereby appoint ______________________

of ______________________ or failing him/her ______________________

of ______________________

As my/our proxy to vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held on Wednesday 18th December 2024, at 08.45 am, at Gloria House, Stirling Road, Workington and at any adjournment thereof.

SIGNED this ______________ day of ______________ 2024

Signature of Member ______________________

NOTE:-

1. A member of the Company is entitled to appoint one or more proxies to act in the alternative to attend and vote and speak instead of him. A proxy need not be a member of the Company.
2. Instruments of proxy must be deposited at the registered office of the Company not less than forty eight hours before the time appointed for holding the meeting.

Change of Address

CHANGE OF NAME / AND OR ADDRESS

The attention of shareholders is drawn to the necessity of keeping the transfer secretaries advised of any changes in name and / or address

Shareholder's name in full
(Block Capitals Please)

____

____

____

New Address
(Block Capitals Please)

____

____

____

Shareholder's Signature ______________________

Notes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100% PREMIUM QUALITY

National Foods
Holdings Limited