Astral

2024

INTEGRATED REPORT

for the year ended 30 September 2024

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Abbreviations and definitions

The abbreviations and definitions used throughout this Integrated Report are detailed on pages 210 to 212.

Other documents available on the website:

- Notice of AGM
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Our Business

Profile

Astral is South Africa's leading integrated poultry producer. Astral was established and listed in April 2001 on the JSE after Tiger Brands Ltd unbundled its agricultural operations.

For the year ended 30 September 2024, Astral employed 12 293 (2023: 12 311) people across its operations. As at 30 September 2024, the Company had 4 510 shareholders and a market capitalisation of R8.1 billion (2023: R5.9 billion).

Astral's integrated operations include:

Feed

Astral produced **1 321 964** tons of feed for 2024

Astral has **8** feed mills

Poultry Agriculture

Astral has, at any given time, approximately **34 000 000** broilers under its management

Astral production on **178** agricultural sites

Poultry Commercial

Astral processed approximately **5 400 000** broilers per week and processed **490 757** tons of poultry product for 2024

Astral has **4** broiler processing plants

Astral owns a number of trademarks registered in various classes in Africa, South America and Europe that enables us to produce and brand our products.

Our strategic focus

To be the best cost integrated poultry producer in selected African countries.

Report Overview

Astral presents its Integrated Report for the financial year ended 30 September 2024.

Scope

Astral's Integrated Report covers the economic, environmental and social activities of the Group and its consequences for stakeholders for the year ended 30 September 2024. It provides a transparent and holistic view of the Group's financial and non-financial performance and how value is created for a broad range of stakeholders. This Integrated Report also deals with the opportunities, risks and material issues faced by the Group in the normal course of business.

Any forecast financial information in this report has not been reviewed and reported on by the Company's external auditor.

Content

Astral continues to enhance the Integrated Report and, with respect to comparability, all significant items are reported in a consistent manner with the previous financial year.

This Report also addresses the operational responsibility and accountability for business sustainability and covers the operations of the Group and major subsidiaries for the financial year ended 30 September 2024.

Reporting frameworks

This Integrated Report was prepared in accordance with IFRS, the requirements of the Companies Act, the Listings Requirements, the principles of King IV™, the International Integrated Reporting Framework of the International Integrated Reporting Council and the JSE Sustainability Disclosure Guidelines issued in June 2022.

To guide and inform Astral's decisions during the preparation of this Report, we applied the principles and requirements contained within various regulations, codes and standards as set out in the table below.

	Integrated Report	Annual Financial Statements
IIRC's International <IR> Framework	✓	✓
Listings Requirements	✓	✓
Companies Act	✓	✓
IFRS	✓	✓
King IV™	✓	✓
UN SDGs	✓	–
JSE Sustainability Disclosure Guidance	✓	–

In line with the various recommendations, we are satisfied that this Integrated Report (incorporating our ESG Sustainability Report) details our most significant impacts. We are, however, committed to an on-going journey in terms of ESG disclosure as both global and local standards continue to coalesce and evolve, and as South Africa's corporates embrace and enhance ESG reporting.

We will also work to seek alignment with the specific targets as set for each of the relevant UN SDGs that we have identified as having an impact on.

The purpose of Astral's ESG Committee, as part of the Group's governance structure, is to support our on-going commitment to sustainability, with specific emphasis on environmental stewardship, corporate governance and accountable social engagement.

Where applicable, the Six Capitals and the UN SDG icons have been used throughout the document for ease of reference.

Climate change

We are cognitive of the need to address climate change in particular, and any impact we have in this regard is mitigated to the best of our ability. Astral is not responsible for any Scope 3 emissions and our material GHG emissions are subject to Scope 1 and 2 carbon emissions. Our risk mitigation actions are focused on material carbon aspects.

In addition, South Africa is a water-scarce country with escalating climate-related severe weather patterns. With this in mind, we continue to seek alternative energy sources and seek, wherever possible, to conserve water resources.

In terms of climate change reporting, the ISSB standards includes the existing TCFD recommendations. Astral's ESG risk mitigation framework is focused on alignment with the IFRS Sustainability Reporting Disclosure Standards. The IFRS disclosures are supported by the JSE Sustainability Disclosure Guidance.

The poultry industry is impacted by increasing severe weather events associated with climate change, as well as the knock-on effects these events have on animal health and biosecurity measures particularly. Astral continuously assesses and improves its climate change risk mitigation framework accordingly.

Materiality and material matters

The Integrated Report is intended to provide insight into issues identified as the most relevant and material to Astral and its stakeholder groups that could potentially impact the Group as a going concern. Comprehensive information, pertaining to stakeholder engagement and material issues relevant to the various stakeholder groups, is disclosed in the Integrated Report.

Report Overview (continued)

The principle of materiality formed the basis of the preparation of this Integrated Report. A matter is considered material if it can substantively affect the Group's ability to create and sustain value over the short, medium or long term. The Board and management are of the view that the material matters published in this Report offer a balanced mix of information, allowing readers to assess the Group's performance and prospects. These material matters were identified through various processes, which is disclosed under the Stakeholder Engagement section. Matters raised through stakeholder engagement have been assessed in terms of the stakeholder's influence, legitimacy and urgency. This emphasis seeks to improve the quality of information available to providers of financial capital to enable a more efficient and productive allocation of capital.

When identifying relevant matters, Astral considers topics or issues that:

- Could substantively affect value creation.
- Link to strategy, governance, performance or prospects.
- Are important to key stakeholders.
- Form the basis of boardroom discussions.
- May intensify or lead to opportunity loss if left unchecked.

When evaluating the importance of relevant matters, we consider:

- Quantitative and qualitative effects.
- The nature, area and time frame of effects.
- The magnitude of effects and likelihood of occurrence.

Assurance

This Integrated Report, as a whole, has not been independently assured. As a result of there not being an approved standard on assurance, the Group has decided not to assure this report as a whole until such standard exists.

Astral applies a combined assurance model, which seeks to optimise the assurance obtained from management and internal and external assurance providers.

Management provides the Board with assurance that it has implemented and monitored the Group's risk management plan, and that it is integrated into day-to-day activities of all the business units. Management is responsible for monitoring and implementing the necessary internal controls.

The sub-committees of the Board, namely the Audit and Risk Management, the Human Resources, Remuneration and Nominations, the Social and Ethics and the ESG Committees, all report to the Board in line with their respective mandate and terms of reference.

The Internal Audit function, overseen by the Group's Audit and Risk Management Committee, assesses the effectiveness of the Group's system of internal control and risk management. Astral receives external assurance on certain aspects of the business. Our External Auditor, Deloitte & Touche, provides an opinion on the fair presentation of the Group's Annual Financial Statements in accordance with IFRS and the requirements of the Companies Act.

Astral's Audit and Risk Management Committee ensures that the combined assurance model is applied to provide a coordinated approach to all assurance activities and addresses all significant risks facing the Group. This committee monitors the relationship between the external service providers and the Group.

Statement by the Board

The Board acknowledges its responsibility to ensure the integrity of this Integrated Report, which in the Board's opinion, addresses all material issues and presents fairly the Group's integrated performance. The Board applied its judgement regarding the disclosure of Astral's strategic plans, and has ensured that these disclosures do not place the Group at a competitive disadvantage. The Audit and Risk Management Committee recommended the approval of the 2024 Audited Annual Financial Statements and the Integrated Report on 13 November 2024.

Theuns Eloff
Chairman

Diederik Fouché
Chairman: Audit and Risk Management Committee

Chris Schutte
Chief Executive Officer

Dries Ferreira
Chief Financial Officer

27 November 2024

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ASTRAL AT A GLANCE

Our Group Activities

Astral is South Africa's leading integrated poultry producer.

Key activities comprise the manufacturing of animal feed, broiler genetics, the production and sale of day-old chicks and hatching eggs, breeder and broiler production, poultry meat processing operations, and the sales and distribution of various key poultry brands such as Goldi, County Fair, Festive and Mountain Valley.

What we do

Integrated broiler operations

We have four fully integrated broiler production, processing, distribution, sales and marketing operations with a combined processing capacity of **6 230 000** broilers per week made up as follows:

County Fair	Festive	Goldi	Mountain Valley
1 670 000	2 340 000	2 000 000	220 000

County Fair (Western Cape), **Festive** (Olifantsfontein) and **Mountain Valley** (Camperdown) market and distribute a full range of fresh and frozen poultry products whereas **Goldi** (Standerton) primarily manufactures IQF products.

County Fair, Goldi and Mountain Valley market and distribute a full range of value-added products comprising frozen reformed crumbed and ready-to-eat poultry products.

Broiler genetics

Ross Poultry Breeders, situated in KwaZulu-Natal and Gauteng, is the sole distributor and supplier of the Ross 308 parent breeding stock to the South African broiler industry. The Company has a technical agreement with Aviagen, a multi-national company that holds the worldwide proprietary rights to the "Ross" brand. The Company has entered into an agreement with Aviagen for the exclusive South African rights to the International Ross 308 broiler/breeder that is world renowned for its superior broiler and breeder performance.

Laboratory services

Central Analytical Laboratories **(CAL)** analyses animal feed and feed ingredients, tests water samples, conducts tissue residue analysis and performs diagnostic identification (serology) of antibodies in the serum of Avian blood for our own requirements and the agricultural sector in South Africa.

Day-old broiler and hatching egg supplier

National Chicks has operations in KwaZulu-Natal and Gauteng and conducts business as a day-old chick and hatching egg supplier to our integrated broiler operations and the independent non-integrated broiler producers in South Africa. National Chicks supplies small hatcheries in Africa with fertile eggs and has a technical team servicing its customer base.

Tiger Chicks is a breeder farm and hatchery producing broiler hatching eggs and day-old broiler chicks for the Zambian and regional export markets.

Animal feeds

The South African operations consist of mills located in Standerton, Randfontein, Delmas, Paarl, Port Elizabeth, Pietermaritzburg and Ladismith.

These seven strategically placed feed mills are well equipped to produce and distribute a wide range of specialised products for all commercially farmed animal species.

Astral has a feed mill operation in Zambia known as Tiger Animal Feeds.

How we are structured to create value

Astral

Astral Foods Limited

100% National Chick Limited

100% Astral Operations Limited

- Goldi
- Festive
- Mountain Valley
- National Chicks
- Ross Poultry Breeders
- County Fair

- Meadow Feeds Randfontein
- Meadow Feeds Delmas
- Meadow Feeds Paarl
- Meadow Feeds Ladismith
- Meadow Feeds Pietermaritzburg
- Central Analytical Laboratories

100% Meadow Feeds Standerton (Pty) Ltd

100% Meadow Feeds Eastern Cape (Pty) Ltd

100% Africa Feeds Ltd (Zambia)

100% Progressive Poultry Ltd

Where we create value

- Feed mill
- Breeding/Hatchery operation
- Day-old chick and hatching egg supplier
- Integrated broiler operations
- Laboratory
- Corporate and Divisional Office (Lanseria)

Financial Summary

6.4%	281.2%	245.0%
Revenue **R20.5 billion** (2023: R19.3 billion)	Operating profit **R1 125 million** (2023: Operating loss of R621 million)	HEPS **1 920 cents** (2023: headline loss per share of 1 324 cents)
100%	**0%**	
Dividend per share **520 cents** (2024: No dividend)	Total assets **R9.1 billion** (2023: R9.1 billion)	**Gearing cleared** (2023: Net debt of R1.0 billion)
18.2%	**30.9%**	**243.6%**
NAV per share **R122.38** (2023: R103.51)	Capital investment **R275 million** (2023: R398 million)	Cash generated from operating activities **R1 395 million** (2023: Cash utilised R971 million)

ESG Summary

10.4%

Astral Cares
CSI spend
R5.3 million
(2023: R4.8 million)

34.3%

Total training spend
R18.4 million
(2023: R13.7 million)

130.5%

3 755 employees
(2023: 1 629 employees)
Trained and upskilled

5%
increase in Non-Executive Directors' fees for 2025
(2024: 0 %)

98%
(2023: 100 %)
Board and sub-committee attendance

544 tCO_2e
(2023: 5 740 tCO_2e)
Carbon emission reduction

7.5%

3 124 292 GJ
(2023: 3 378 604 GJ)
Direct and indirect energy consumed

8.1%

6.7 million kl
(2023: 6.2 million kl)
Water used

97%
(2023: 90 %)
Waste diverted from disposal as a % of total waste

Tweefontein Breeders

Chairman's Statement

Theuns Eloff | *Chairman*

"We are pleased to report a strong set of results following what can only be described as Astral's annus horribilis last year.

The 2024 results are a testament to Astral's robust strategy, which enabled management to turn around the Company in under a year, despite facing on-going economic and trading headwinds."

The year in perspective

I am pleased to present our annual results, which reflect a remarkable turnaround following a challenging year marked by significant losses. Despite the hurdles we faced, our dedicated team has worked tirelessly to implement strategic changes and drive innovation, resulting in a strong set of financial results. This achievement is a testament to our resilience, adaptability, and unwavering commitment to delivering value to our stakeholders.

The South African economy experienced a mix of challenges and growth for the year under review, with sentiment in South Africa being more optimistic following the National Elections at the end of May 2024 and the formation of the GNU. The GNU introduces a new era in our politics, one of cooperation and compromise. This may bode well for the economy.

The economy saw modest growth, with the GDP expanding by 1.1 % in 1Q2024 but unfortunately falling back to 0.3 % in 3Q2024. This growth was driven by sectors such as financial and business services, manufacturing, and trade.

Due to the absence of loadshedding from the 2Q2024, Astral has seen significant savings in its diesel bill. However, power cuts remain a challenge, impacting overall economic activity as well as certain of our operations, especially in Olifantsfontein and Standerton. The GNU remains committed to implement structural reforms, particularly in energy and logistics, to bolster long-term growth in South Africa. However, we are finding that progress is perhaps slower than anticipated.

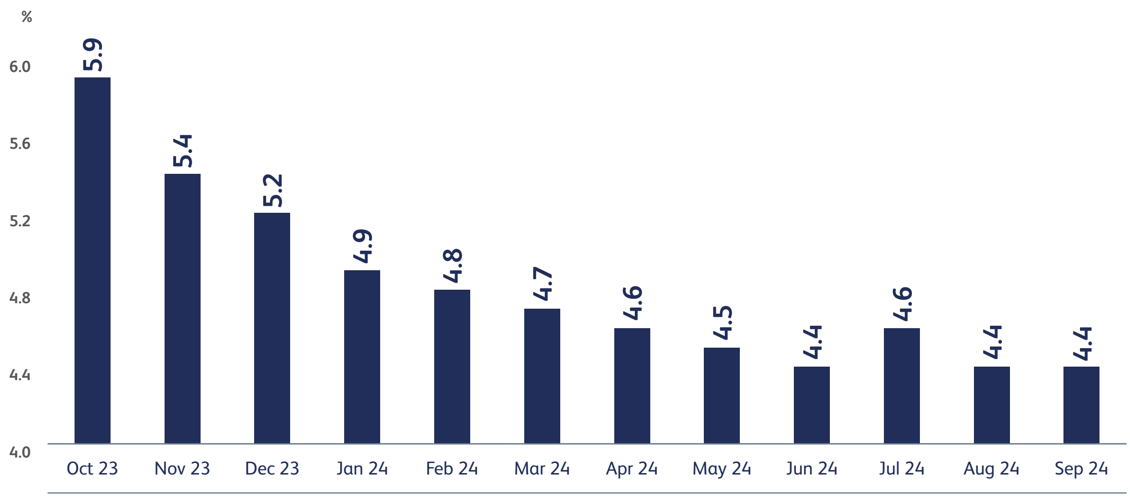
Despite these positive developments, the economy faced headwinds from high living costs, operational issues in freight rail and ports, on-going power cuts and too high an unemployment rate. According to StatsSA, the official unemployment rate rose by 0.6 percentage points in the 2Q2024 to 33.5 %. Under the expanded definition of the unemployment rate (which counts not only those seeking work but those too discouraged to look for a job), there was an increase of 0.7 percentage points to 42.6 % in the same period. The largest number of job losses was in the trade sector, which shed 111 000 jobs during the quarter, followed by 45 000 fewer jobs in agriculture. On the positive side, the manufacturing sector added 49 000 jobs over the period.

While the South African economy showed resilience and some positive trends, significant challenges remain that need to be addressed to ensure sustainable growth.

The South African poultry industry, however, faced a challenging yet transformative period, which our results are testimony to. The industry made significant strides in recovering from the HPAI outbreaks that severely impacted poultry production in 2023 and Astral was fortunate not to have experienced any HPAI outbreaks during the year under review. Despite the setbacks from HPAI last year, the industry managed to stabilise production by importing approximately 280 million fertile hatching eggs from Brazil to restock breeder flocks, ensuring a steady supply of poultry products in South Africa. Astral alone, imported just over 32 million fertile hatching eggs.

The poultry sector continues to be a vital part of the South African economy, contributing significantly to food security and employment. However, the industry faced challenges such as high feed costs and power cuts, which affected overall productivity.

Consumer Price Inflation



Source: TRADINGECONOMICS.COM/Statistics South Africa

Although the demand for poultry products remained strong, driven by consumer preferences for affordable protein sources, the majority of consumers remain under financial strain and price increases on IQF products remains challenging. The overall Consumer Food Price Inflation (CPI) rate was 4.4 % as at September 2024, 100 basis points lower than last year.

SAPA announced earlier this year that it would reapply to the Government for the exemption of certain chicken products from VAT. SAPA believes that this move would provide substantial benefits for both poor households and the poultry industry. The poultry industry employs approximately 146 000 people, and could see an estimated 10 % increase in sales if products such as offal and frozen chicken were zero-rated. This exemption could significantly aid the growth of the local poultry industry. Unfortunately, the loss in revenue for SARS will be severe and the likelihood of certain chicken products being exempt, remains slim.

The Anti-Dumping Duties imposed by the International Trade Administration Commission (ITAC) in August 2023, were targeting frozen bone-in portions of chicken from countries like Brazil and the United States. This move was aimed to protect the local poultry industry from unfair competition and dumping practices that could harm domestic producers. The implementation of these duties against Brazil, Denmark, Spain, Poland and the Netherlands was nearly hampered by the outbreak of Avian Influenza, when Minister Patel, the previous Minister of Trade, Industry and Competition, wanted to back track on this arrangement alleging that due to the severe HPAI outbreaks, there were going to be a shortage of poultry products in South Africa. Industry players, together with SAPA, made a strong case stating that there were not going to be any shortages, which stemmed some of the imports. Throughout the reporting period, poultry imports experienced notable fluctuations.

South Africa remains on the Financial Action Task Force (FATF) grey list. The country was placed on this list in February 2023 due to deficiencies in its measures to combat money laundering and terrorist financing. South Africa has made progress in addressing some of the FATF's concerns, particularly in enhancing its legal and regulatory frameworks. However, significant work remains to be done. The grey listing has implications for South Africa's financial sector, including increased scrutiny and due diligence requirements for transactions, which can affect foreign investment and economic growth for South Africa.

ESG-related matters

The ESG Committee, as part of the Group's governance framework, reinforces Astral's dedication to sustainability, focusing particularly on environmental stewardship, corporate governance, and responsible social engagement.

We continue to enhance the ESG Sustainability Report by applying best practice and we have started aligning our ESG Sustainability Report to IFRS S1 and S2 this year.

Environment

Astral remains committed to being a responsible corporate citizen, particularly regarding our environmental impact. The Group's sustainability strategy is designed to ensure long-term business success by fostering a well-governed, well-managed, and financially stable organisation. In line with this commitment, Astral continues to initiate and sustain new projects focused on achieving sustainable water and power supply. Please refer to pages 69 to 78 of this Report for further detail on the environment projects implemented by the Group.

Chairman's Statement (continued)

Social

The "Astral Cares" initiative is a key programme for the Group to enhance the wellbeing of our employees and support the communities where we operate and trade. One notable contribution under this initiative is the distribution of food to both employees and various charities, with a primary focus on feeding those who are among the most disadvantaged in society. The Group's CSI spend for the year under review amounted to R5.3 million (2023: R4.8 million), an increase of 10.4%.

Please refer to pages 83 to 87 in this Integrated Report for comprehensive detail on the major CSI projects that Astral was involved in during the financial year.

Governance

Astral is dedicated to achieving superior performance levels for the benefit of all our stakeholders. We are confident that our governance practices are robust and, in all material respects, align with the Companies Act, the principles of the King IV™ Report, and the JSE Listings Requirements. We engage in open and robust discussions with our stakeholders regularly, covering a wide range of topics, including corporate governance.

Our annual performance assessments were also completed by each director of the Board, the Board committees, the Chairman, the CEO and the Group Company Secretary. This year, we used an outside agency (21st Century) to oversee the assessment process.

For more information on Astral's stakeholder engagements and material matters, please refer to pages 32 to 45 of this Integrated Report.

Board changes

There were no Board changes during the year under review. However, on 30 January 2025 at the Company's AGM, Chris Schutte will retire as Executive Director and CEO, with Frans van Heerden resigning as Executive Director and Managing Director: Poultry Commercial.

Please refer to the paragraph regarding the farewell message to Chris Schutte below. Frans, thank you for your invaluable contribution to the success of Astral. We extend our heartfelt wishes for success and fulfilment in your new career path.

On behalf of the Board, I would like to congratulate Gary Arnold on his appointment as CEO effective 1 February 2025. The Board is confident that, under his leadership, Astral will continue to build on maintaining its position as South Africa's leading integrated poultry producer.

Outlook

The poultry industry is projected to maintain its recovery into 2025, emphasising enhanced biosecurity measures and boosting local production to satisfy demand. The implementation of HPAI vaccination protocols, while unfortunately not yet broadly adopted, has the potential to strengthen the industry's resilience against any future outbreaks.

In summary, the South African poultry sector has shown remarkable resilience and adaptability in overcoming substantial challenges, paving the way for a more stable and productive future.

The reduction in interest rates is a positive development for consumers, providing financial relief and supporting economic growth.

While a La Niña weather pattern is anticipated, which is favourable for farmers' planting prospects, South Africa is expected to encounter significant challenges regarding water availability in 2025. This situation arises from a combination of factors, including

climate change, ageing infrastructure, lack of maintenance and rising demand. Water scarcity can severely affect businesses, especially those in water-intensive sectors like agriculture. Limited water resources may result in higher operational costs, production delays, and possible shutdowns. To address the challenges posed by water scarcity, Astral has already started to implement water-efficient technologies and practices. This includes investing in water recycling, rainwater harvesting, and other sustainable water management strategies.

Farewell

At next year's AGM on 30 January 2025, Chris Schutte will be retiring as CEO, after more than 40 years in the poultry business and 16 years at the helm of Astral. We bid farewell to a remarkable leader, an inspiring mentor, and a dear friend. Although you will still assist Astral in an advisory capacity, as consultant, it is both an honour and a bittersweet moment to celebrate the incredible journey of your time with Astral. Chris, your tenure with Astral has been nothing short of extraordinary. Over the years, you have steered this Company through both calm and stormy waters with unwavering dedication, vision, and integrity.

Your leadership has not only transformed our business but has also left an indelible mark on each one of us. Your ability to inspire and motivate has been a cornerstone of our success. Under your guidance, we have achieved milestones that once seemed unattainable. Your strategic foresight and relentless pursuit of excellence have set new standards in our industry. But beyond your professional achievements, it is your personal qualities that have endeared you to us all. Your kindness, sense of humour, humility, and genuine care for everyone in this organisation, as well as the poultry industry, have created a culture of respect and camaraderie. You have been more than a CEO; you have been a friend, a confidant, and a source of strength.

As you and Reinette embark on this new chapter of your life, we want you to know that your legacy will continue to inspire us. Your contributions have laid a strong foundation for the future, and we are committed to building on the path you have paved. On behalf of the entire Board, the management team, and all our employees, I extend our deepest gratitude for your exceptional service and leadership. We wish you all the best in your future endeavours.

Appreciation

In addition, I would like to extend my appreciation and gratitude to Chris Schutte and the management team for their unwavering commitment and hard work during this year. You have exceeded our expectations in turning Astral back to profitability.

I also want to express my sincere thanks to my fellow Non-Executive Directors for your invaluable contributions at Board and committee meetings. Your participation and insights are, as always, highly valued.

I would also like to thank our external stakeholders – including shareholders, customers, suppliers, and industry regulators – for their continued support of the Group.

Finally, to all Astral employees, our deepest gratitude for your hard work, resilience, dedication, and significant contributions throughout the year. Your efforts are greatly appreciated.

Theuns Eloff
Chairman

13 November 2024

Broiler Placement

Board of Directors

Non-Executive Directors

Theunis Eloff (69)

BJur (Econ), ThB, ThM, ThD
Chairman

Appointed 8 May 2007, Chairman from June 2014

Experience: Theuns served as minister of religion in Pretoria from 1983 to 1989. He completed his Doctorate in theological ethics. Theuns left the ministry in 1989 and joined the Consultative Business Movement (CBM). He headed the administration of Codesa and was Deputy Director of the Transitional Executive Council before the 1994 elections. From 1995 he was the CEO of the National Business Initiative. He became Vice-Chancellor of Potchefstroom University for CHE in 2002 and headed the merged North West University (NWU) from 2004. He completed his second term at the NWU in May 2014. Theuns acted as CEO of the FW de Klerk Foundation from January 2016 to 31 May 2019.

External appointments: Chairman of Die Dagbreektrust, the Trust vir Afrikaanse Kuns, Kultuur en Erfenis, the Trust vir Afrikaanse Onderwys and Die MOS-Inisiatief. Chairman of the AAI.

Diederik Johannes Fouché (70)

MComm, CA(SA), H Dip Tax Law, H Dip Business Processing
Lead Independent Non-Executive Director

Appointed 12 November 2015

Experience: Diederik is a former PwC partner and head of PwC's Southern Africa Consumer, Industrial Products and Services industry practice (CIPS).

He served as a member of the PwC Africa Board and was chairman of the Finance and Risk Committee. He also represented the firm on the PwC Europe, Middle East and Africa CIPS Committee. He has extensive experience in the consumer industrial products and services industry, which includes industries such as Agriculture, Retail Consumer, Automotive, Health Care, Manufacturing and Transport Logistics, and has engaged with companies, global experts and industry on various surveys, trends and strategic issues.

External appointments: A member of the Audit Committee of Thebe Investment Corporation (Pty) Ltd.

Anita Deline Cupido (54)

BA (HE); BA Hons; BB&A; MBA; MPhil Coaching (Cum Laude)
Independent Non-Executive Director

Appointed 10 November 2021

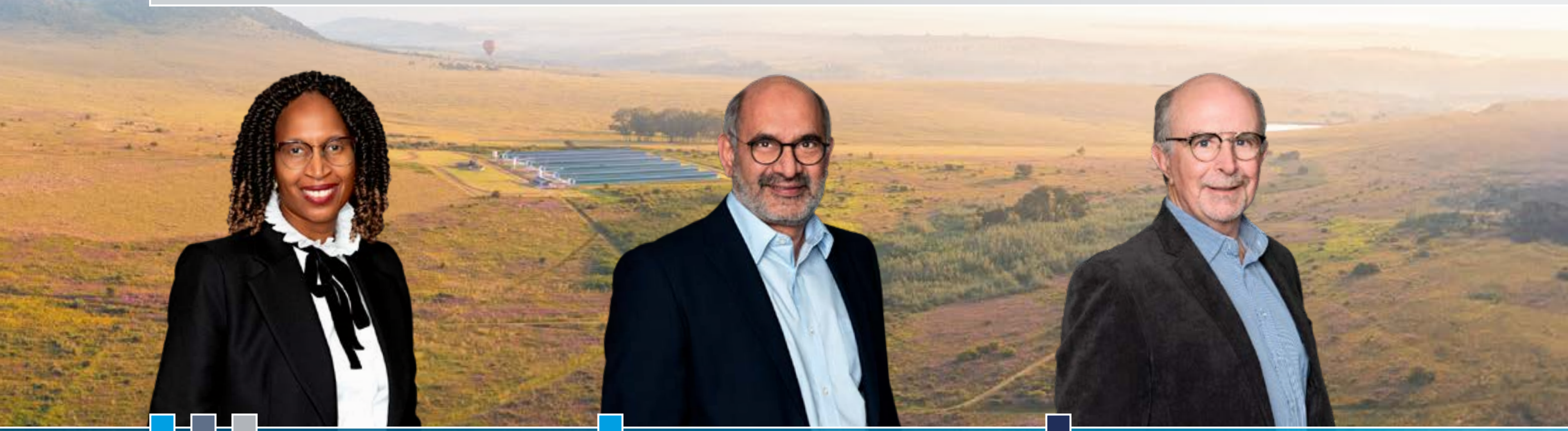
Experience: Anita is an accomplished People Professional with 15 years of corporate experience and 14 years of consulting and coaching experience. She has provided HR executive and Change Management services to blue chip and multinational companies such as Woolworths, SABMiller, Santam, and AVI. In addition, she has partnered with Oxford University Press, Pearson, University of Cape Town, the Foschini Group, Simba, ATNS, KWV, BUSBY, and Social Change Assistance Trust where she provided consulting services in Organisation Development, Team Effectiveness and Strategy Facilitation.

Some of her achievements include achieving Cum Laude for her MPhil Coaching. She led the Change Management effort on an ecommerce transformation programme, virtually. She successfully facilitated a large-scale restructuring in a global organisation, virtually. As HR Executive, she supported her Executive team through a six-company merger, including Board and Exco closure and preparation of Senior Management to lead Business Unit post-merger. She successfully led the change management effort for the implementation of a B2B portal across 4 000 broker businesses in the largest short term insurance business. She facilitated development of five-year strategy for non-profit organisation and shaped the client experience initiative for an insurance market leader, which included establishing a client excellence board.

She has spoken at conferences, written articles, participated in guest lecturing, served on boards and been involved in volunteer programmes that uplift communities on the periphery.

External appointments: Independent Human Capital Consultant, Facilitator and Executive Coach.

Audit and Risk Management Committee
Human Resources, Remuneration and Nominations Committee
Social and Ethics Committee
ESG Committee



Tshepo Monica Shabangu (53)

BProc, LLB, LLM (Magna Cum Laude)
Independent Non-Executive Director

Appointed 1 July 2013

Experience: Tshepo is a legal professional with significant experience in managing the commercial and intellectual property portfolios of blue-chip companies, both locally and internationally. She also has extensive experience in corporate governance.

She was previously the Chairman of the Anglo Inyosi Coal Community Trust and a Director of Inyosi (Pty) Ltd, the B-BBEE partner of Anglo Coal Ltd. Tshepo sat as a Trustee of one of Royal Bafokeng's employee trusts. She is the past President of the South African Institute of Intellectual Property Law and sat as a Trustee of the Legal Resources Trust. She was previously a member of the Ethics Committee of the Law Society of South Africa and Company Law Committee of the Law Society of the Northern Provinces. She also sat as a Council Member of the now defunct Law Society of the Northern Provinces (LSNP), a statutory body which governed the attorneys profession.

She is a Council representative of the Law Society of South Africa at the International Bar Association (IBA). She is currently an Officer of the Bar Issues Commission and member of the Future of Legal Commission. She was selected as one of the World Intellectual Property Review (WIPR) Influential Women in Intellectual Property in 2019 and was awarded the WOZA Women in Law Award for Best Corporate Practising Lawyer, 2019. Tshepo was named Law Professional of the year 2019/2020 period by the SA Professional Services Academy (SAPSA). She was listed as one of the World Intellectual Property Review (WIPR) leaders in 2021-present, and included in the Best Lawyer Intellectual Property Law in South Africa list, from 2018-present.

External appointments: Partner and past Chairman of the law firm Spoor & Fisher.

Saleh Mayet (68)

BCom, BCompt (Hons), CA(SA)
Independent Non-Executive Director

Appointed 1 July 2019

Experience: Saleh is a Chartered Accountant with over 35 years' experience. After completing his articles in 1982, he joined Anglo American South Africa Ltd (AASA) and over the next number of years gained experience in all aspects of financial reporting with ultimate responsibility for a significant number of subsidiaries in the AASA group. Following Anglo American plc's London listing in 1999, he fulfilled various roles within the finance division in Johannesburg and London and in January 2008 became Head of Finance – AASA, a position he occupied until his retirement from AASA in March 2019.

He has held several listed and unlisted board positions in various industries and brings with him extensive experience across the full range of corporate activities.

External appointments: Non-Executive Director of Motus Holdings Ltd.

Willem Frederick Potgieter (67)

BEng (Hons); PR-Eng
Independent Non-Executive Director

Appointed 1 July 2019

Experience: Willie is a built environment professional (Civil Engineer) specialising in infrastructure and building developments as well as strategic management with more than 30 years' experience in implementation and management of engineering and related developments through all stages of the project life cycle. Willie's previous experience also includes the management of Government regulatory processes such as environmental authorisations, water rights, water use licences, land acquisitions and land use planning. His recent involvement includes the development of two newly established universities in South Africa.

External appointments: Director for Oubos-Grootrivier Nature Reserve (Pty) Ltd.

Board of Directors (continued)

Christiaan Ernst Schutte (64)

Chief Executive Officer

Appointed 18 August 2005, CEO from 1 May 2009 until retirement on 30 January 2025

Experience: Chris started his career in the Poultry Industry after a five-year contract with the South African Air Force. He joined Golden Lay Farms, a division of Tiger Oats in 1984 as an Assistant Farm Manager. Chris progressed through the ranks of Golden Lay, a table egg producer, to emerge as the Sales Director before joining Astral Foods in 2002. At the time he was appointed as Retail Sales Manager for Meadow Feeds, then being promoted to National Sales Manager for the Feed Division. In 2004 Chris was appointed as Managing Director for Astral's Feed Division, and later appointed to Astral's Board in 2006. In 2009 Chris was appointed as Chief Executive Officer of Astral. Chris will be retiring at the next AGM on 30 January 2025.

External appointments: None

Johan Andries Ignatius (Dries) Ferreira (46)

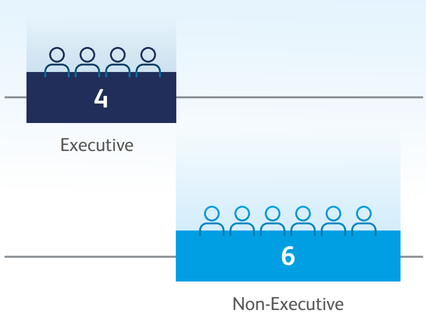
BCom, BCom (Hons), CA(SA)
Chief Financial Officer

Appointed 2 February 2023

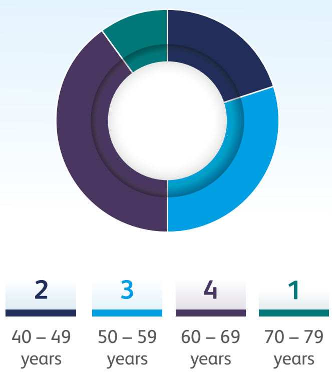
Experience: Dries graduated from the University of Port Elizabeth (now NMU) and later qualified as a Chartered Accountant (SA) in 2004 after completing his articles with PricewaterhouseCoopers Inc. He was appointed Chief Financial Officer and executive director of Dawn Limited in 2007. Dries has extensive experience serving as Executive Director. He was the CEO of WellCapital (Pty) Ltd, providing C-suite solutions to African and European clients and also the CFO and Executive Director of Newpark Real Estate Investment Trust Limited, a listed South African-based REIT focused on investing in A-Grade properties in prime locations. He was appointed as CFO Designate from 10 January 2022 and on the retirement of Daan Ferreira, appointed to CFO effective 2 February 2023.

External appointments: None

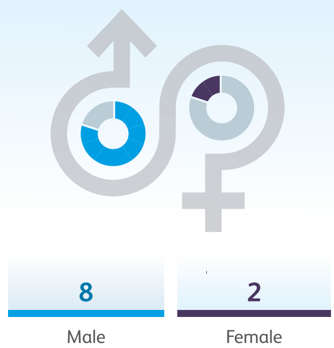
Executives and non-executives



Age



Gender



Gary Desmond Arnold (52)

BSc Agric (Hons), MSc Agric, MBA, Pr.Sci.Nat.
Group Chief Operating Officer

Appointed 1 May 2012 as an Executive Director
Appointed 1 October 2021 as Group Chief Operating Officer
Effective 1 February 2025: Chief Executive Officer

Experience: Gary started his career in 1997 as Animal Nutritionist for Meadow Feeds Delmas and Meadow Feeds Welkom. In 1998 he was appointed as the Technical Manager for Meadow Feeds Delmas and in 2001 he was appointed as the Technical Manager for Meadow Feeds northern region.

In 2004 he was appointed as the Managing Director of Provimi SSA (previously Nutec Southern Africa) and in 2006 he was appointed to the position of COO for Meadow Feeds in the Western Cape.

Gary was appointed as Director: Business Development of Astral Operations Ltd on 1 November 2010 and in October 2016 he was appointed to the position of Managing Director of Astral's Agriculture Division.

Effective 1 October 2021, Gary was appointed as Group COO of Astral. Effective 1 February 2025, Gary has been appointed as Chief Executive Officer.

External appointments: None

Frans Gerryts van Heerden (44)

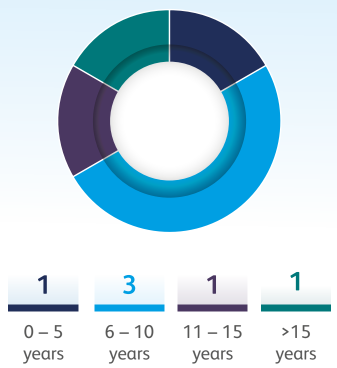
BCom, BCompt (Hons), CA(SA), Diploma in National Auditing
Managing Director: Poultry Commercial

Appointed 1 November 2020 as Managing Director
Appointed 1 October 2021 as an Executive Director until resignation on 30 January 2025

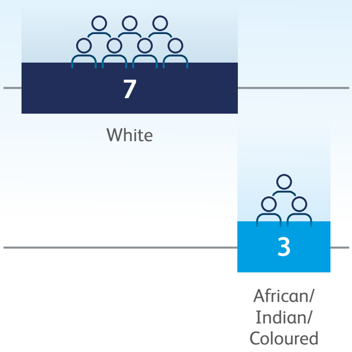
Experience: Frans started his career with the Group in 2007 when he joined Astral's Internal Audit Department. He was subsequently appointed to different Financial Manager positions within the Group, and on 1 June 2017 promoted to COO of the Poultry Commercial Division: Central Region. On 1 November 2020, he was appointed as the Managing Director of the Group's Poultry Commercial Division and effective 1 October 2021 to the Board as an Executive Director. Frans will be resigning at the next AGM on 30 January 2025.

External appointments: None

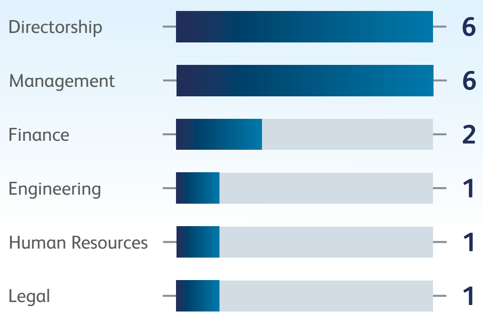
Tenure of Non-Executive Directors



Ethnicity



Skills of the Non-Executive Directors



Chief Executive Officer's Report

Chris Schutte | *CEO*

> ***"The Group has reported a good set of results and amongst one of the best in the Group's 24-year history, reflecting a significant turnaround on the devastating loss reported in the prior year."***

The year in perspective

This is Astral's 24th Integrated Report, which provides an overview of the Group's financial and operational performance for the year under review.

As I reflect on the remarkable journey of the Group during my tenure as CEO for 16 years, I am immensely proud of what we have achieved, particularly after navigating the toughest year in the history of Astral last year. This Integrated Report not only highlights the Group's financial performance, but also underscores our unwavering dedication to creating long-term value for all our stakeholders.

Introduction

For 2024, the Group launched Project 3R – Astral's Re-set, Re-focus and Re-start campaign. This campaign centred around various initiatives to normalise the business post the loadshedding and bird flu disasters of 2023. We focused our attention on returning the business to profitability and rebuilding the Balance Sheet through 2024. However, the outlook for 2024 presented significant challenges for the local poultry industry. El Niño weather patterns damaged regional maize and soya crops, weak economic growth and depressed consumer spending placed significant pressure on poultry prices, and an uncertain economic climate loomed ahead of the national elections at the end of May 2024. In addition, the ever-present threat posed by bird flu in the absence of compensation, vaccination and insurance cover remained a priority.

Notwithstanding the positive election outcomes and the formation of a GNU, the state of the South African economy is still characterised by a record high unemployment rate and a very price sensitive consumer base. Growth in the economy has been hampered by failing infrastructure and a lack of investment over many years. This economic environment limits the ability of the Group to fully recover higher input costs, with the result that broiler margins have remained under pressure and are below what could be considered an acceptable return on capital invested.

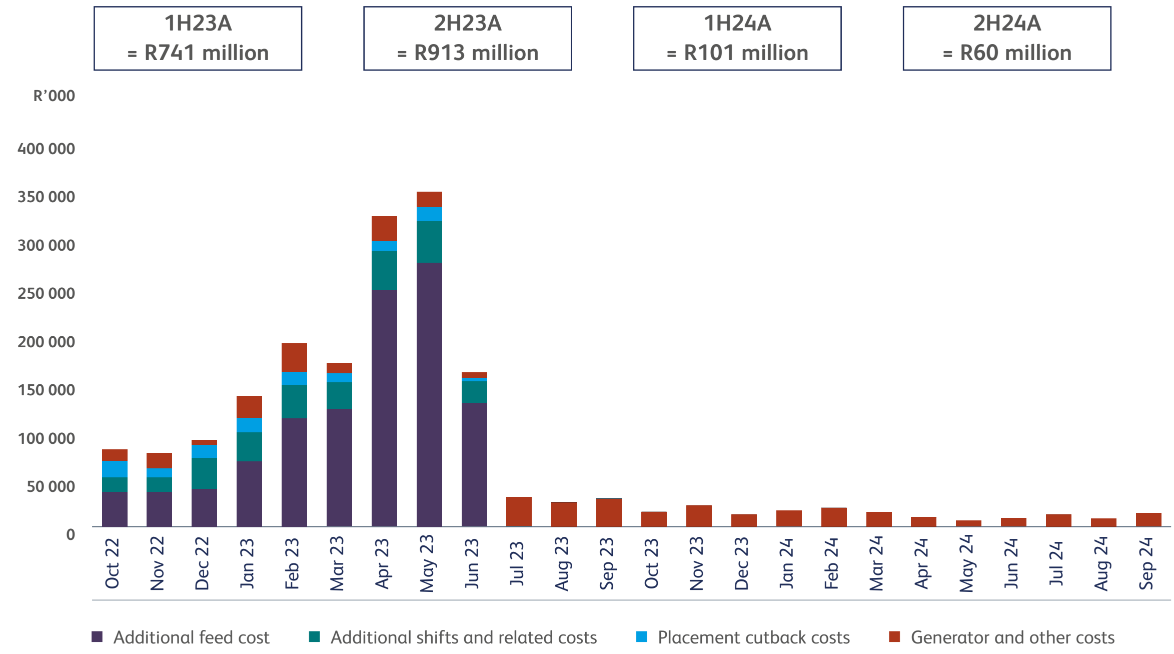
Despite an embedded diesel cost due to on-going power supply interruptions, continued water supply disruptions and a challenged consumer landscape, Astral successfully reversed the Company's misfortunes from FY2023. Following the "big bird" era of 2023, caused by the loadshedding saga, Astral's product mix returned to normal. Bird performance improved significantly, surpassing historical highs. Additionally, a prudent procurement and import programme largely shielded Astral from the volatility in the local grain markets. Margins improved, albeit to a nominal level, driven by a substantially lower live bird cost, improved plant efficiencies and yields as well as a cost focused turnaround strategy. The gearing of 26% on Astral's Balance Sheet at the year ended 30 September 2023 was cleared, with a surplus cash balance reported for the year ended 30 September 2024.

Loadshedding

The impact of loadshedding in the Group was mitigated at great expense through 2023, by the installation of significant emergency power generation plants to run the processing plants at a considerable diesel cost. Through the past year, national loadshedding has largely improved, but the Group is still suffering the effects of localised municipal interruptions due to failing infrastructure from Eskom, specifically at Standerton.

The Group's diesel and generator costs for the year decreased by 53 %, albeit still a significant expense at approximately R150 million for FY2024, a cost which the Group has been unable to recover through the selling price of poultry.

FY2023 and FY2024: Loadshedding costs



Water supply disruptions

Once again, water supply infrastructure failure led to further downtime in some of our processing plants, as the municipalities continue to flounder with poor service delivery in this area. The installation of additional water storage in Olifantsfontein during FY2023 at a cost in excess of R50 million ("a grudge purchase"), has paid dividends by ensuring that this downtime was limited to shorter durations. The cost carried by the Group due to water supply interruptions is R14 million for FY2024 against a cost to the business of R31 million in the prior year. Constrained water supply and the risk of bird flu remain the Group's biggest threats.

Bird flu

Fortunately, the events of 2023 which saw a pandemic level spread of bird flu throughout the poultry industry, were not repeated in 2024. In the absence of compensation, vaccination or insurance cover for this risk, the Group remains extremely vigilant to this disease and continues to enforce strict biosecurity programmes to manage the on-going threat. Unfortunately, the Group has incurred "spill over" costs in 2024 related to the outbreaks late in 2023, as the business had to participate in a costly broiler hatching egg import programme to meet the market requirements for broilers. In addition, certain key metrics such as hatchability in the breeding operations were impacted as a result of contingency measures taken to mitigate shortages in hatching egg supply, such as extending the depletion age of broiler hatching egg laying flocks in production, which led to both lower fertility and subsequent day-old chick production levels.

Conclusion

The South African economy is currently burdened by high unemployment and limited disposable income. Economic growth is stifled by failing infrastructure and a challenging economic environment, which restricts the Group's ability to fully recover rising input costs. Consequently, broiler margins are under significant pressure, yielding minimal returns on invested capital.

Despite this, management's focus to turn around the Group's misfortunes of 2023 have paid dividends and our vision remains steadfast, with continued emphasis on improving key production efficiencies, lowering operating expenses and maintaining tight control over working capital, all of which remain key to surviving the many headwinds that continue to face the industry.

Chief Executive Officer's Report (continued)

Salient points

Feed input cost decreased significantly on the back of lower feed consumption levels due to a return to a normalised bird age and weight following the loadshedding challenges in 2023.

Feed prices decreased on lower maize and soya prices, driven by lower international prices for soft commodities, a stronger local currency and prudent procurement of Astral's requirements.

Broiler performance efficiencies between October 2022 and June 2023 were negatively affected by the impact of loadshedding on the integrated broiler production chain, and for 2024 improved significantly, surpassing previously best results in this area.

Broiler slaughter numbers decreased to 5.4 million birds per week during 2024 as production cutbacks were implemented to manage stock levels and better balance supply with demand (2023: 5.8 million birds per week).

Poultry sales realisations were up year-on-year, but remained far short of being able to deliver acceptable margin returns as embedded diesel and generator expenses and general inflationary costs were incurred by the Group.

Astral recovered from the outbreak of bird flu experienced in the local poultry industry in 2023, although during the year, as a result of this particular costs relating to a costly hatching egg import programme and inefficient broiler breeder production were carried.

Poultry imports remained at relatively high levels, with average monthly volumes for the year under review being approximately 22 % of local consumption, at an average of 34 232 tons per month (2023: 33 394 tons per month).

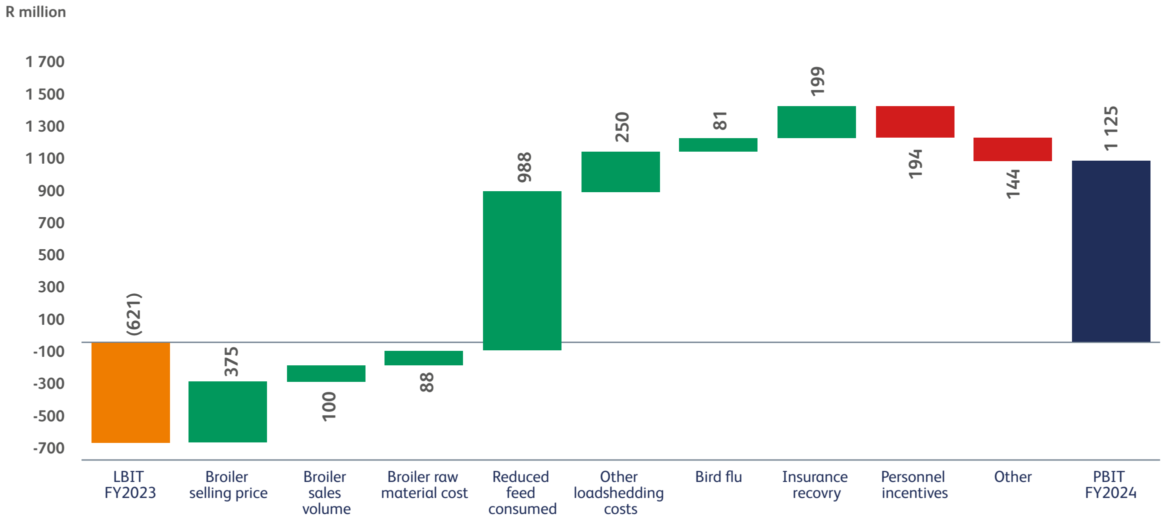
Eskom loadshedding and municipal infrastructure challenges continued to add a significant cost burden to the Group, with an on-going diesel cost to run emergency generators – now an embedded cost due to on-going power supply disruptions at a municipal level.

Cash operating profit of R1.7 billion for the year, with gearing of 26 % at 30 September 2023 was reduced to Nil, with 30 September 2024 reflecting a small surplus cash balance.

Financial and operational performance at a glance

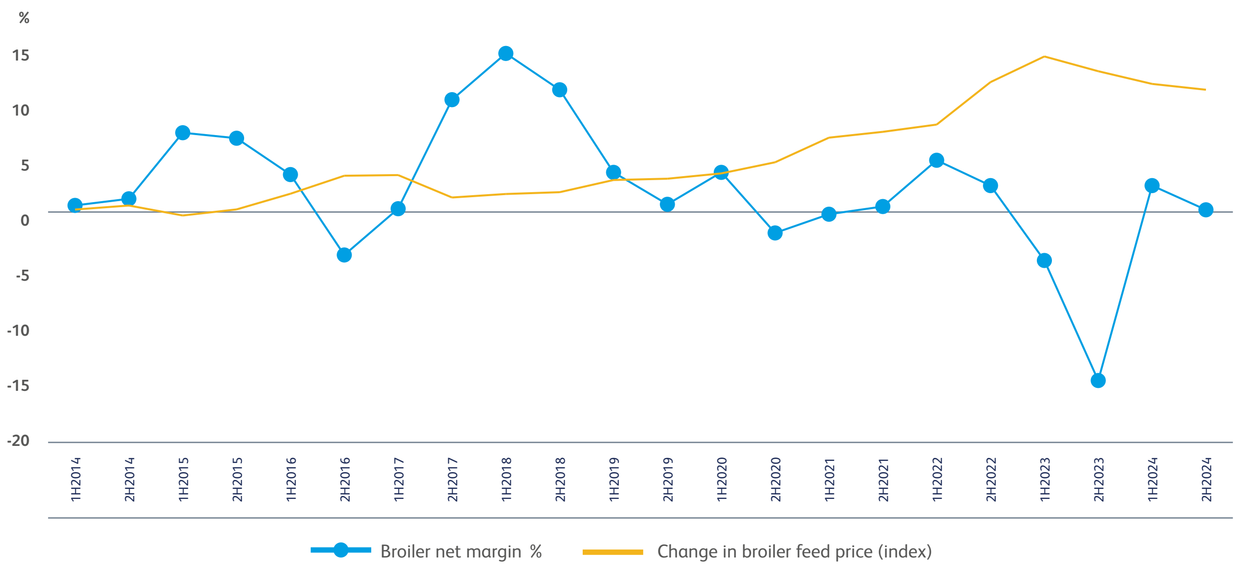
A year-on-year increase of 281 % in the operating profit, albeit off a low base, has delivered a very respectable profit of R1 125 million for 2024, driven by a return to a normalised product mix, an increase in poultry sales volumes and higher poultry selling prices for the year under review. Feeding costs improved markedly due to substantially lower feed requirements, as the slaughter age and body weight returned to normal, following the loadshedding saga in 2023. The backlog in the slaughter programme was also cleared, along with excellent broiler performance, which substantially reduced the broiler live cost.

As **illustrated below**, the following major movements at a profit/(loss) before interest and tax level between the prior year and the year ended 30 September 2024 are as follows:



Poultry selling prices only partially recovered input costs, with a continued squeeze on broiler margins which are reported at 1.3 % for 2024, remaining extremely thin under volatile market conditions.

Broiler net margins vs. the change in broiler feed price



Source: Own data

Chief Executive Officer's Report (continued)

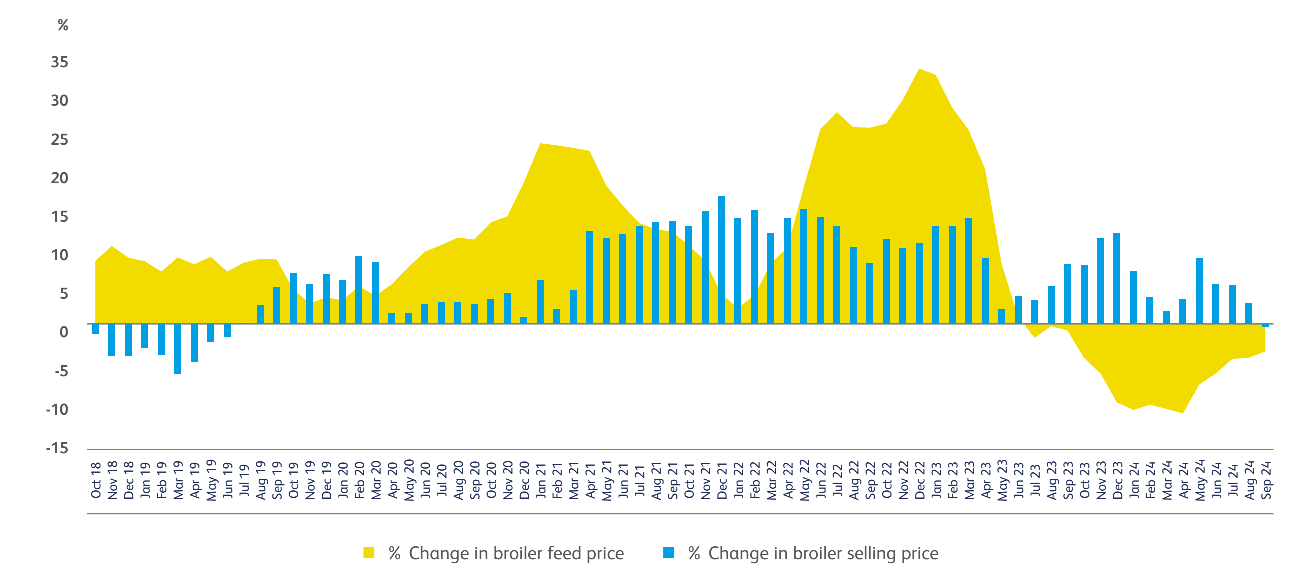
Local food price inflation persisted throughout the year, with the food basket experiencing overall increases. However, chicken prices faced significant downward pressure in the latter part of the financial year.

SA food price index vs. broiler selling price index

Source: Own data and CJA Strategic Risk Brokers

As depicted in the **graph below**, which reflects the monthly year-on-year change in the broiler feed price against the change in the broiler selling price, selling prices improved marginally over the year when compared to the prior year. This reflects an improvement in Astral's product mix and sales basket against 2023, together with selling price increases achieved early in the period under review.

Monthly year-on-year change in broiler selling price vs. change in feed price

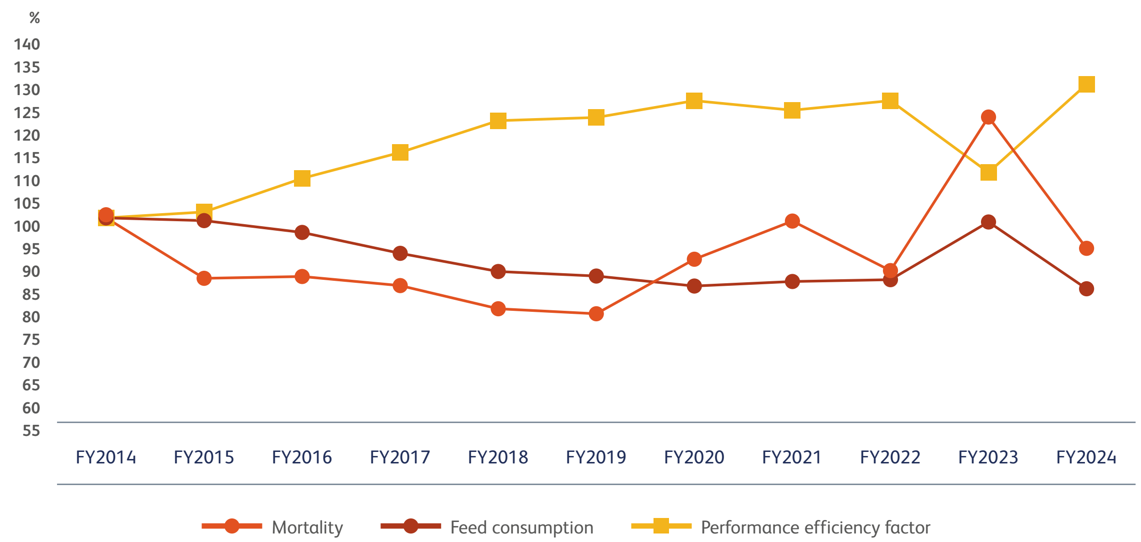


Source: Own data

Broiler selling prices show a marginal decline on the same month in the prior year towards September 2024. Feed prices decreased during the year under review, following record highs in early 2023. However, local maize prices are trading higher on the "old" crop (2023/2024 season) in recent months which suffered under drought conditions, leading to increasing feed prices. Together with lower broiler selling prices, this has resulted in a squeeze on margins towards the latter part of the 2024 reporting period.

The backlog in the slaughter programme following the "big bird" era caused by loadshedding and water supply disruptions ended on 16 June 2023. Focus then returned to optimising the genetic potential of the broilers and improved farm results. As a result, on-farm broiler performances for the year under review improved significantly against the comparable period, surpassing historical levels.

Broiler performance: feed conversion efficiency and performance efficiency factor

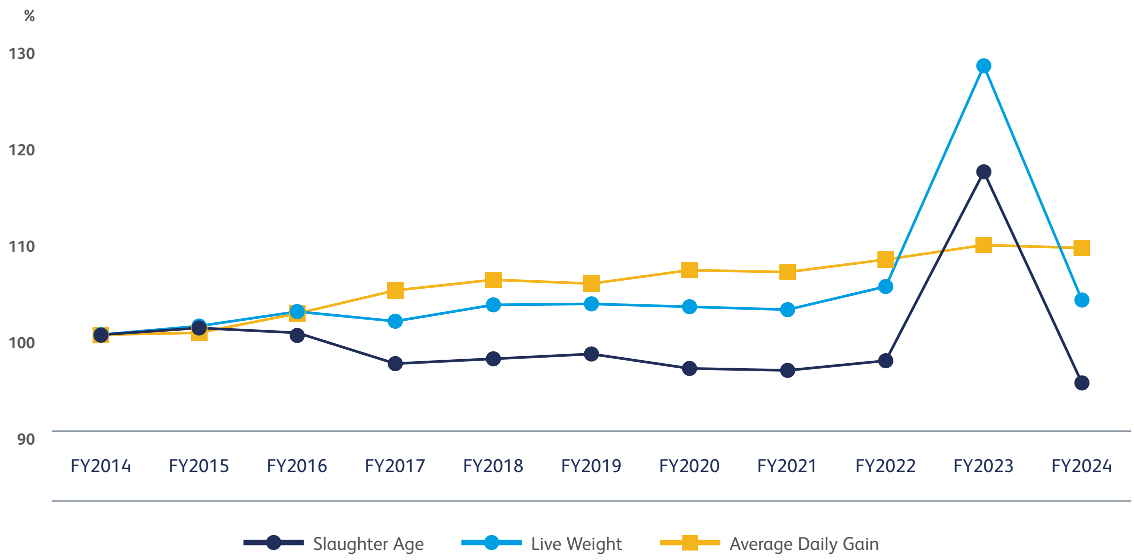


Continuous improvement in nutrition and feeding programmes, together with focused on-farm management practices has seen Astral continue to exploit the Ross birds' genetic potential, with emphasis on improving live weight for age and feed conversion efficiency.

Tweefontein Breeders

Chief Executive Officer's Report (continued)

Broiler performance: slaughter age and live weight



For further details on the financial performance of the Group and a review of the operational activities, please refer to the Operational Review found on pages 52 to 62 as well as the Chief Financial Officer's Report on pages 132 to 135 of the Integrated Report.

Key investments

Capital expenditure for the year under review was R278 million compared to the prior year's R398 million. This amount includes normal on-going and major replacement capital expenditure of R147 million, and R128 million spent towards the provision of emergency power generation capacity and water supply contingency measures. Only absolutely essential replacement capital expenditure, plus expenditure towards the provision of further emergency power generation capacity or water supply infrastructure were considered for FY2024.

The timing and implementation of a number of projects with committed capital expenditure, already placed on hold in 2023, remains subject to continuous review against available funds. The Great Grand Parent breeding farm purchases and construction of new facilities will no longer be incurred by Astral, with Aviagen South Africa now committing to that investment replacing a lease arrangement whereby Astral would have leased these new facilities to Aviagen. This project has thus been removed from Astral's capital expenditure commitments.

The construction of a new feed mill for Tiger Animal Feeds (TAF) in Zambia was completed during the year, and has provided a cost-efficient platform and expanded production capacity from which TAF can compete in the Zambian animal feed sector.

Key challenges going forward

Industry

The past three years has seen an expansion of poultry processing capacity in the local industry. This is a positive step forward and reflects a commitment to South Africa's localisation drive. In terms of the Poultry Sector Masterplan (Masterplan), all stakeholders agreed to a number of actions that would support the local production of chicken so that it could make up a greater proportion of local consumption.

The local economy remains under severe pressure and the dismal failure around essential service delivery at local, provincial and national Government level continues unabated. The local and national Government elections this past year marked a major change in the political landscape with the formation of a GNU. Time will tell if these changes yield better governance, something required to set the country on a growth path that will stimulate both local industry and job creation. Remedial action to repair and restore critical infrastructure is urgently required. The risk of water supply disruptions to poultry processing facilities remains a key concern for the industry.

The risk of a bird flu pandemic requires an appropriate response from Government and the regulatory authorities. The failure of our state veterinary authorities to deal decisively with past outbreaks, implement control measures and compensate producers under the provisions of the Animal Diseases Act is an indictment on both the country as well as the local poultry industry.

The ability of poultry producers to positively contribute to food and job security remains at risk. Last year promises of a "bird flu relief fund" were bandied about by the Deputy President, yet nothing transpired. Permission to vaccinate against the published protocols has been and continues to be actively pursued by industry, but with no approval granted to date by the state authorities. The industry has completed the task of restocking following the 2023 bird flu outbreaks, however this has been undertaken at great risk in the absence of compensation, vaccination and no available insurance cover.

Poultry selling prices

Astral has over the years focused on producing affordable white protein in the form of chicken meat in alignment with its best-cost strategy. It remains challenging to continuously optimise financial returns by achieving a poultry selling price that allows for the satisfactory recovery of input costs to ensure sufficient cash for future investment and expected returns to shareholders. More importantly, the business must generate acceptable returns and cash profits that provide reserves to counter volatility that remains inherent in the local poultry industry.

During 2023, and in the aftermath of the loadshedding ordeal, Astral's cash reserves were completely eroded, with the Group finding itself in a net debt position. Astral focused on rebuilding its Balance Sheet and clearing debt through 2024, and this was achieved, despite the fact that this was no easy task as pricing pressure in a depressed consumer environment squeezed margins.

The Group continued to focus on controllable inputs throughout the year, realising good broiler farm performances and following a successful procurement programme for its major feed ingredient inputs, reducing the live cost of a broiler. Amidst an extremely competitive market, extensive retail promotional activity on chicken is holding back selling prices.

Market developments

Chicken is the most preferred and affordable source of protein in South Africa. As a result of the intense competition amongst the major retail chains, the "fight" for every consumer's Rand spent, has placed pressure on poultry selling prices for most of the year. Pricing levels at the time of writing are lower than the same time a year ago and at levels generating thin margin returns, given the existing input cost environment. Currently, the inability to recover the substantial inflationary production cost increases from the market is proving to be a challenge.

Astral's focus to maintain a balance in the wholesale, retail and QSR market segments supplying fresh, frozen and value-added products is on-going. With the slaughter age and weights returning to normal in June 2023 following the loadshedding saga, much focus through 2024 has been placed on product quality, regaining lost volumes and market share and supplying a balanced sales mix to meet demand. New developments in all product categories are currently under design and implementation, ensuring that Astral's brands remain competitive in the market.

Business risks and material matters

Astral has identified the most relevant business risks and material matters that impact both Astral and its stakeholder groups, and which could potentially impact the Group as a going concern. Comprehensive information pertaining to the internal risk identification and management processes, stakeholder engagement and material matters relevant to the Group's various stakeholder groups, are disclosed in detail on pages 32 to 45 of the Integrated Report.

In summary, our key business risks and material matters include:

- Highly pathogenic avian influenza.
- Water and electricity infrastructure constraints.
- Raw material availability and/or price.
- Food safety.
- Imbalance of poultry supply and demand:
  - poultry prices;
  - product mix;
  - poultry imports; and
  - consumer purchasing power.

ESG developments

Astral's ESG Committee, tasked to support the Group's on-going commitment to sustainability, with specific emphasis on environmental stewardship, corporate governance and accountable social engagement, worked closely with the Social and Ethics Committee during the year.

During 2024, Astral's water usage increased by 8.1%, in line with increased poultry production, following the severe loadshedding in 2023, that negatively impacted production output last year. The Group timeously submitted its third Food Loss and Waste Report to the World Resource Institute (WRI), and recorded a 13% improvement on plastic material recycled during FY2024, with 768 tons of plastic recycled (2023: 678 tons). Furthermore, comprehensive community waste recycling projects were introduced in KwaZulu-Natal and the Western Cape.

In 2024, 97% (2023: 90%) of Astral's total waste generated was diverted from disposal. In December 2023, three major waste projects were embarked upon, whereby hatchery waste was diverted from landfill sites to compost production. Scope 1 carbon emissions for coal and diesel were reduced by 5 625 tons (coal) and 16 359 tons (diesel), mainly driven by diesel usage savings as a result of less loadshedding during FY2024. Scope 2 electricity carbon emissions increased to 8 464 tons (up by 3% from the FY2023 base), mainly driven by Eskom's improved electricity available factor during FY2024. Astral's renewable energy projects remain a key focus area for FY2025 in terms of capital costs, feasibility and environmental sustainability. For all environmental initiatives and impacts, refer to pages 69 to 78 of this Integrated Report.

Chief Executive Officer's Report (continued)

Astral's talent acquisition, skills development and succession planning ensure Astral's ability to attract, develop and retain internationally competitive employees. Employee skills are key to Astral's competitiveness and long-term sustainability. Astral's organisational culture is driven by human capital, operational excellence and continuous improvement to deliver on strategy. The integrated training and skills development framework continuous to equip employees with the necessary technical, professional and managerial skills, driving our culture of high performance and professional competence. Astral is registered with the Agri-SETA as an accredited training service provider, utilising qualified in-house trainers. These trainers trained more than 650 employees internally on food safety and biosecurity programmes during the year. Astral spent R18.4 million on training during the 2024 financial year, resulting in more than 20 % of our total workforce benefiting from training programmes.

Astral is currently a Level 5 certified B-BBEE contributor. Enterprise development and preferential procurement programmes implemented continue to diversify our supplier base. In terms of gender diversity, 49 % of our employees are female. Workplace accessibility initiatives enabled nearly 250 employees working with disabilities to sustain employment. For more information on our Human Capital statistics, endeavours and programmes, refer to pages 99 to 104 of the Integrated Report.

South Africa is grappling with a turbulent socio-economic landscape marked by deteriorating public infrastructure, inadequate service delivery and unprecedented unemployment rates. Astral continues to expand its social impact initiatives to support South Africans in need. Our **"Astral Cares"** CSI programme continued to assist communities in desperate need, supporting the most vulnerable in society. Astral Cares donated more than R5 million of Astral products during the year, supporting thousands of people with a daily meal. Animal feed donations from Meadow Feeds were distributed to numerous animal shelters across the country. Animal feed was also donated to commercial farmers suffering feedstock losses as a result of drought and destructive fires decimating large tracts of grazing.

Our **governance** structure and principles are set out on pages 88 to 97 of the Integrated Report. Astral remains committed to maintaining the highest standards of good governance in order to promote quality decision making and ensure the execution of these decisions are made within a disciplined framework of policies, procedures and defined delegations of authority. Astral has a zero-tolerance approach in terms of fraud and corruption whilst providing a tip-offs anonymous resource for employees to report any wrong-doing.

Alliances

Key alliances continued to play an important role in positioning Astral as a best cost integrated poultry producer and the Group's association with international leaders in their respective fields is fostered and actively reinforced.

Key strategic alliances:

- Aviagen, a global leader in poultry genetics and Ross broiler breed supplier.
- Cargill, a global leader in animal nutrition and livestock production.
- Cofco, a global leader in grain origination and mill door delivery.
- Seaboard, a global leader in plant protein production and soft commodity trading.


Broiler Farm

Strategic service providers:

- CJA Strategic Risk Brokers, which provides statistical models that support decision-making in the forward procurement of key raw materials for use in feed production.
- Enterprise Outsourcing, providing IT network infrastructure.
- Hestony Transport, providing both refrigerated transport to the Poultry Division and a feed transportation service to the Feed Division.
- Unitrans, providing refrigerated and live bird transport to the Poultry Division.
- Vector Logistics, which provides an outsourced chilled and frozen chicken storage and distribution service to the Poultry Division.

Outlook

The following factors are considered by management to have an impact on the near future business and poultry sector prospects.

- Bird flu remains a major risk to the local poultry industry, with slow progress towards approval for the vaccination of broiler breeding stock.
- Water supply disruptions are of concern, as these have become common place with emergency supply measures being costly.
- Constrained consumer spending, a key influence on market conditions, determining the supply and demand dynamics going forward.
- Competitive retail landscape with extensive chicken promotional activity, placing pressure on selling prices.
- Finished good stock levels reduced markedly to manageable levels.
- The formation of a GNU, may stabilise the economy and support much needed investment and growth.
- Expected interest rate cuts may result in improved economic prospects in 2025, and the two-pot retirement reforms could provide a boost to consumer spending.
- Weather forecasts reflect a developing La Niña system with favourable prospects for the local maize crop currently being planted.
- Revised capital expenditure programme will assist cash flow in the Group, and support spend in cost efficiency projects.
- Spare processing capacity bodes well for dilution of fixed costs and revenue growth opportunities.

Appreciation

As I step down from my role as CEO at the AGM on 30 January 2025, I want to express my sincere gratitude to the Chairman, Dr Theuns Eloff, and each and every one of our esteemed Board members, dedicated staff, valuable suppliers, loyal customers, and all shareholders. Your unwavering support and collaboration have been the cornerstone of our success. Together, we have navigated challenges and celebrated achievements, building a strong foundation for the future. Thank you for your trust and commitment.

I am confident that the Company will continue to thrive, as I have the highest regard for the Executive Team and senior management that worked alongside me over the past two decades. I am privileged to leave this incredible organisation in a sound and healthy financial position.

I thank everybody that has been part of this incredibly eventful journey over the past 40 years!

Chris Schutte
Chief Executive Officer

13 November 2024

Our Strategy

Astral has a simple strategy: To be the best cost integrated poultry producer

MAIN STRATEGIC FOCUS AREAS	HOW DOES ASTRAL EXECUTE ITS STRATEGY?
Focus on performance reliability and sustainability	The existence of key best practices underpinning good corporate citizenship and the identification of the main business risks and procedures for on-going risk control and management, documented targets for strategic growth plans and strategic objectives as well as systems to manage and protect key assets, Astral strives to ensure that a long-term sustainable results driven performance will be delivered.
Investment in high quality best-cost operations	Astral ensures that through continuous investment in replacing assets and incorporating new technology, enhanced by an effective workplace improvement programme, a best cost culture is fostered to support productivity and efficiency improvements.
Invest in our people	Through competitive remuneration structures, targeted transformation programmes, broad-based skills development programmes, visible succession plans and a culture of promoting from within, Astral ensures that staff development and retention embeds strong support for the Group's long-term goals.
Focus on strengthened external relationships	Astral is passionate about our engagement with external stakeholders and a committed orientation towards this ideal is supported by a culture of open and transparent communication, product responsibility, quality management systems, statutory and regulatory compliance coupled with a strong sense of self-regulation and high ethical standards.
Duty of care to protect the natural environment in which we operate	Astral is committed to promoting sustainable social and environmental transformation to mitigate its environmental impacts, to ensure the continued responsible waste management and prudent use of water and energy to safeguard the continuing viability of our business.

Our Investment Case

Why invest in Astral?

1 Astral is the leading integrated poultry producer in Southern Africa

Astral is the leading low cost producer of complete feed, broiler hatching eggs, day-old chicks and broilers in Southern Africa with an expanding footprint in selected Southern African countries.

2 Leading brands

Astral has leading brands in poultry genetics (Ross 308), animal feed (Meadow), day-old chicks (National Chicks), laboratory services (CAL) and strong poultry meat consumer brands (Goldi, County Fair, Festive, Mountain Valley and SupaStar) and Tiger Chicks in Zambia.

3 People skills

Astral has experienced, long-serving employees with an industry-leading track record, supported by skills development programmes through leading tertiary institutions.

4 Regional and national footprint

Astral is well positioned relative to the major growth areas of the country, close to the supply of strategic raw materials and the demand for our products.

5 Capital investments and strong cash flow

Astral's ability to allocate capital to projects that support the long-term strategy translates to all stakeholders benefiting and ensuring that all Six Capitals are addressed. Astral also has a proven record with the ability to generate strong cash flows.

6 Customers

Our key customers are in the top-end retail chains, wholesale market and QSR sector.

WE DELIVER ON OUR STRATEGY:

Being the best cost integrated poultry producer with assets and human resources to support a sustainable business.

Business Risks and Material Matters Report

Introduction

Astral has identified the most relevant business risks and material matters that impact both Astral and its stakeholder groups, and which could potentially impact the Group as a going concern. Comprehensive information pertaining to the internal risk identification and management processes, stakeholder engagement and material matters relevant to the Group's various stakeholder groups, are disclosed in detail in this report.

The principle of materiality forms the basis of the preparation of this Integrated Report. A matter is considered material if it can substantively affect the Group's ability to create and sustain value over the short, medium or long term. The Board and management are of the view that the material business risks and material matters published in this report offer a balanced mix of information, allowing readers to assess the Group's performance and prospects.

Summary of Astral's major business risks and material matters

Major business risk and/or material matter	Why is the risk and/or material matter regarded as key?
Biosecurity	The outbreak of the HPAI or any other poultry-related virus can adversely impact our ability to conduct our operations and the supply of products.
Imbalance of poultry supply and demand	
Poultry prices	The over-supply of poultry products in the industry could have a serious negative impact on sales realisations and profitability. ▸ Prices are primarily driven by supply and demand that, in turn, are influenced by many factors. We benchmark on-shelf pricing levels and the availability of product on a regular basis to ensure that our prices remain competitive. ▸ Stockholding levels are closely managed, and pricing strategies adjusted accordingly.
Product mix	▸ The product mix plays an integral part in optimising sales realisations. It is important to optimise bird supply into processing, and then through to sales in order to benefit from the prevailing market demand. Product contribution reports are regularly reviewed in order to drive sales decisions.
Poultry imports	▸ High levels of poultry imports and dumping distort demand and negatively impact the local poultry industry. ▸ Over the long term, unregulated poultry imports/dumping could lead to job losses. ▸ Food safety and traceability are risks surrounding imported poultry products.
The consumer market	Growth in the consumer market is a determining factor in the demand for poultry and is driven largely by population growth and the level of employment.
Raw material availability and/or price	Feed commodities account for over 80 % of our poultry and animal feed raw material requirements. Failure to secure these commodities at reasonable prices will negatively impact sales and profitability of the Group.
Food safety	Food safety is of utmost importance to ensure the safety of the consumer. The contamination or spoiling of foods, nutritional concerns and concerns relating to health, is a liability to the wellbeing of the consumer and a risk to the business' reputation.
Water and electricity infrastructure constraints	The inability of Government to provide water and electricity to businesses is of grave concern as it materially impacts the ability of Astral to operate efficiently, as it is a large consumer of both resources.

Business risk management

Astral is committed to the following risk management action plan:

- identifying the risks which the Group is exposed to;
- identifying the most effective ways of eliminating or mitigating the risk exposure as far as reasonably practical; and
- insuring against catastrophic incidents and other losses beyond our self-insurance capacity.

Risk management framework

Board: Overall responsibility for Group strategy and managing risk

Corporate Risk Management Committee

Development and enhancing risk management practices and systems to ensure that risks are managed with acceptable tolerance levels.

Audit and Risk Management Committee

Oversight of the Group's material risks and sustainability strategy.

Divisional Risk Sub-Committee

Review and monitor the risk management action plans, policies and procedures.

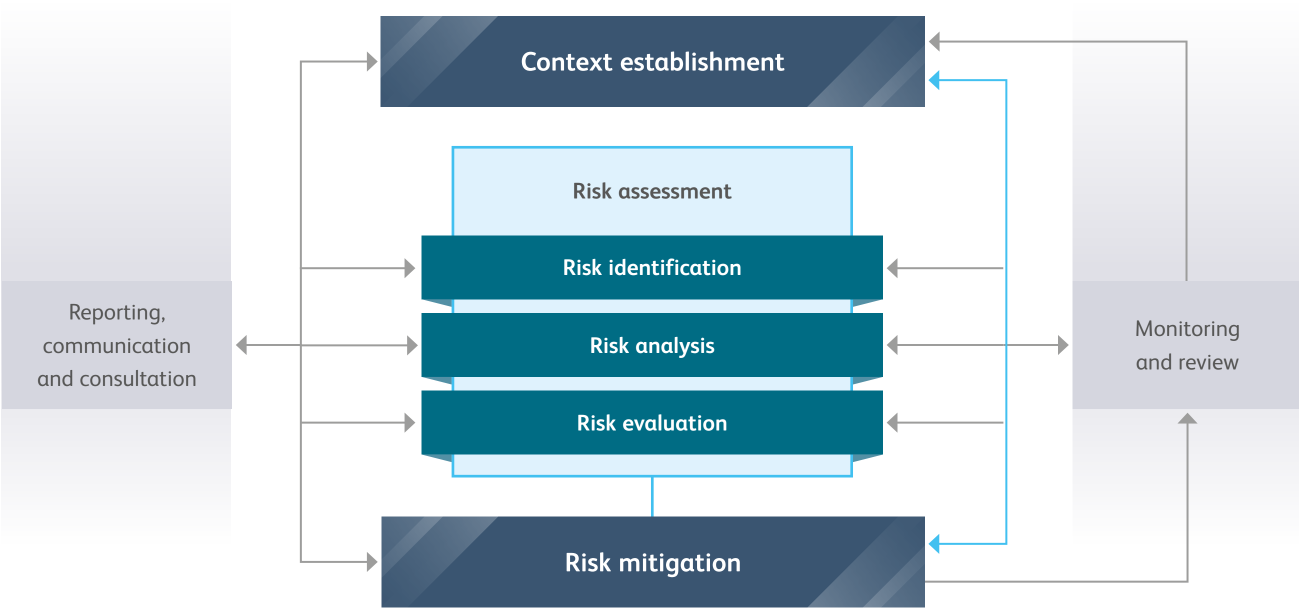
Astral Executives

Oversight of the Group's material risks and implementation of the Group's strategy.

Operational Units

Responsible for risk assessment and implementing risk policies and procedures.

Risk management process



Business Risks and Material Matters Report (continued)

Risk recognition, evaluation and management

At the core of all risk management is a systematic, cyclical risk management process, involving a series of steps ranging from the identification of a risk, to the analysis, evaluation and management of the risk, and finally to the monitoring of the measures taken in reaction to the risk.

The management team of each operation within the Group analyses the main risks affecting that operation. The executives in the various operations categorise each risk they have identified and evaluate it in terms of criteria as defined in the business risk methodology, including the potential impact of the risk on the Group and the expected probability of its occurrence. When analysing the impact of the risk, Astral considers not only the impact on the results of operations, but also the impact on non-monetary aspects such as safety, service, reputation and strategy.

Risks are evaluated in relation to the following parameters:

- headline risk area/category;
- impact;
- probability; and
- perceived control effectiveness.

An inherent risk rating is calculated as the product of the impact of a risk and the probability of that risk occurring. The ranking for inherent risk assists management and internal audit alike to establish relativity between all the risks/threats identified.

Having identified the controls that are in place to manage the risk in question, it is necessary to assess the effectiveness of these controls. This is a measure of how well management perceives the identified controls to be working in effectively managing the risks.

Risks are then ranked utilising the residual risk status, this is the value of risk that the organisation is exposed to taking into account the inherent risk, reduced by the related controls which exist to manage that risk. Residual risks/exposures are therefore the product of the inherent risk and the control effectiveness factor.

Material matter recognition, evaluation and management

The process Astral undertook to determine its key material matters was:

- comparing material matters identified in 2024 to Astral's Business Risk Register;
- looking at global and industry trends and risks;
- performing a comparison to peer/related company material matters;
- evaluating and reviewing material matters identified against Astral's strategic objectives, stakeholder matters, risks and capitals used to create value over the short, medium and long term;
- linking identified risks to Astral's strategic objectives and grouped into themes; and
- these material matters were then categorised based on management's view of the potential impact that these matters have on Astral and its key stakeholders.

Based on the information obtained during the process, Astral prioritised its material matters and reviewed the ESG landscape from:

- a strategic perspective;
- linking business operations with the broader operating context, and making key connections with relevant ESG matters; and
- suggested alignments with global and industry ESG trends and drivers.

Stakeholder engagement

Our philosophy

We believe that proactive and frank stakeholder engagement sits at the heart of our efforts to maintain the sustainability of our business. We consider the legitimate and reasonable needs, interests and expectations of all material stakeholders in the execution of our activities.

Our approach

We continued to focus on issues that are material to our stakeholders and to Astral during the year, and a number of topics formed a major part of the discussions.

Festive Olifantsfontein

Our engagement methods with each stakeholder group are as follows:

Stakeholder	Description	Engagement methods	
Shareholders	Our shareholder base is broad and includes private and institutional investors (local and international), private and public companies and insurance companies.	- Website - SENS - Trading updates - Bi-annual results presentations	- Investor relations - Face-to-face meetings - Site visits
Employees	Our staff complement consists of permanent and contract employees.	- Confidential hotline through "Tip-offs Anonymous" - Bi-annual road shows	- Management and Union meetings - Internal newsletters and notice boards
Customers	Our key customers lie primarily in top-end retail chains and wholesalers, mainly independently owned. We also have QSR customers with some of the leading QSR franchises in South Africa.	- Face-to-face meetings - Regular discussions	- Advertising through media - Formal review meetings with major customers
Suppliers	We source products and services from a diversified and reputable supplier base.	- Presentations by suppliers to our procurement function - Annual negotiations	- Quotation-based supply - On-going engagement with key suppliers
Regulatory authorities	We are a participant in the food industry and therefore, we comply with the strictest standards and are continuously monitored by internal and external parties to verify adherence.	- Adherence to laws and regulations - Regular training of staff to understand laws and regulations	- Face-to-face meetings - Independent assurance
Industry	Astral and its employees are members of and/or participate in various organisations.	- Regular attendance of industry body meetings - Subscribing to industry publications	- Participation in industry forums
Communities	We play an active role in the communities in which we operate through a social investment strategy which focuses on education and community upliftment.	- Identifying causes where relief is sought - Management of a wellness programme	- Evaluation of calls for assistance in communities where we operate

Business Risks and Material Matters Report (continued)

Our principles

Relevance

Focusing on those issues of material concern to our stakeholders and to Astral and identifying how best to address them for our mutual benefit

Completeness

Understanding the views, needs, performance expectations and perceptions with these material issues while also taking cognisance of prevailing local and global trends

Responsiveness

- Engaging with stakeholders on issues and giving regular, comprehensive and coherent feedback.
- We have identified all our stakeholders and we engage directly with them by way of organised dialogues, roundtable discussions, one-on-one meetings and regular engagement with local communities at each operation.
- Enquiries from shareholders are generally addressed by our CEO, CFO or Group COO directly and only information that is in the public domain is disclosed. We also make use of external benchmarking and standards that are designed to reflect and address societal expectations.
- At operational level, we identify, prioritise and directly engage with stakeholders on matters that have the potential to affect their operational, sustainability or financial performance.

Kaalfontein Hatchery

Major business risks and material matters

The major business risks and material matters identified are aligned with the Group's strategy, and its materiality determination and stakeholder engagement processes. The major business risks and material matters that are managed by Astral and which form part of the Group's strategy are:

1. Biosecurity

Description of the risk/matter

The outbreak of the HPAI or any other poultry-related virus can adversely impact our ability to conduct our operations and the supply of products.

Link to the Astral strategy

- Investment in high quality, best cost operations.
- Focus on performance reliability and sustainability.

Impact on value

- An HPAI outbreak can adversely impact our ability to conduct our operations and supply of products.
- Diseases would not only impact the Group through the possible depletion of flocks, but could influence growth, feed conversion, liveability, fertility and hatchability.

Impact on Six Capitals

UN SDGs impacted

2 ZERO HUNGER

3 GOOD HEALTH AND WELL-BEING

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Stakeholders impacted

Covered in peer reports

How is Astral mitigating the risk or managing the material matter?

- Additional biosecurity measures.
- Training and induction programmes.
- Production contingency plans in case of an HPAI outbreak.
- Staff incentive programme.
- Importing of hatching eggs.

Potential stakeholder concern

- HPAI remains a global challenge.
- Supply interruptions to the market as a result of HPAI.
- HPAI outbreaks incur significant costs.
- The HPAI virus is circulating in wild birds in Northern and Eastern Europe and the Middle East. The HPAI virus in Africa circulates in wild and aquatic coastal birds.

Trade-off/opportunities

- Biosecurity measures ensure that the risks related to the raising of animals, including illnesses, are minimised to the best of the Group's ability.
- HPAI vaccination is an opportunity, however, awaiting Government approval.

Material topics

Customer safety | Governance | Compliance | Animal welfare

Business Risks and Material Matters Report (continued)

2. Imbalance of poultry supply and demand

Description of the risk/matter

The over-supply of poultry products in the industry can have a serious negative impact on sales realisations and profitability.

The following are contributors to this risk:

- High levels of imports.
- Classic dumping of poultry meat in South Africa.
- Suppressed disposable income.

Link to the Astral strategy

- Investment in high quality, best cost operations.
- Focus on performance reliability and sustainability.
- Focus on strengthened external relationships.

Impact on value

- Price constraints will negatively impact sales and profitability.
- Managing this well could increase market share, profitability and social capital.
- Product mix will impact profitability dependent on consumer spend.
- High levels of imports place pressure on supply of poultry meat in South Africa.
- Growth in the consumer market is a determining factor in the demand for poultry and is driven largely by population growth and the level of employment.
- High unemployment impacts sales.
- High inflation rates place pressure on consumer spend, with the consumer buying more affordable food, placing pressure on sales.

Impact on Six Capitals

UN SDGs impacted

2 ZERO HUNGER

8 DECENT WORK AND ECONOMIC GROWTH

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Stakeholders impacted

(Price) (Product mix)

Covered in peer reports

How is Astral mitigating the risk or managing the material matter?

- Participation in industry bodies presenting arguments for the protection of local industry against subsidised imports and dumping.
- Responsible expansion and production programmes.
- Monitoring of bird weight and production mix.
- Planned temporary production cutbacks.
- Entrench least cost strategy.
- Partner with the right customer base.

Potential stakeholder concern

- Return on capital invested.
- Sustainability of business.
- Reliable long-term supply of products.
- Price competitiveness.
- Processing volumes increased across the poultry industry relative to the prior year, increasing supply of broiler meat to the market.
- Imports fluctuated over the year, despite the anti-dumping duties currently in place.
- QSR and sit-down restaurant market performance given consumer spend constraints.

Trade-off/opportunities

- Tariff protection against dumping is necessary for the sustainability of the South African poultry industry. However, the tariffs don't seem to deter imports as despite these being in place, imports remain high.

Material topics	Supply and demand imbalance	Affordability	Customer satisfaction	Fair trading conditions

3. Raw material availability and/or price

Description of the risk/matter

Feed commodities account for some 84% of our poultry and animal feed raw material requirements. Failure to secure these commodities at reasonable prices will negatively impact sales and profitability of the Group.

High raw material prices and volatility. Although all producers would be exposed to similar prices, the main risk is the inability to recover this higher input cost.

Link to the Astral strategy

- Investment in high quality, best cost operations.
- Focus on performance reliability and sustainability.

Impact on value

- Prices of all agricultural inputs tend to fluctuate with a major impact on input costs.
- Managed well, this could strengthen supply chain and increase market share and profitability.

Impact on Six Capitals

UN SDGs impacted

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Stakeholders impacted

Covered in peer reports

How is Astral mitigating the risk or managing the material matter?

- Explore cost effective raw material import opportunities and use of alternatives to address cost concerns.
- Astral Executive Procurement Committee frequently reviews the procurement strategy.
- Endeavour to recover the higher input cost through selling prices of poultry.
- Feed specifications versus cost being reviewed continuously.

Potential stakeholder concern

- Return on capital invested.
- Sustainability of business.

Trade-off/opportunities

- Ensure that feed input costs are recovered in poultry selling prices.

Material topics	Price of inputs	Market volatility

Business Risks and Material Matters Report (continued)

4. Food safety

Description of the risk/matter

Food safety is of utmost importance to ensure the safety of the consumer. The contamination or spoiling of foods, nutritional concerns and concerns relating to health, is a liability to the wellbeing of the consumer and a risk to the business' reputation.

A breakdown in biosecurity and the threat of diseases.

Premix micro ingredient deficiency and/or contamination with undesirable substances.

Non-conformance to final feed specifications, impacting on the breeding programme.

Link to the Astral strategy

- Investment in high quality, best cost operations.
- Focus on performance reliability and sustainability.
- Focus on strengthened external relationships.

Impact on value

- Consequences of health impact of food-borne pathogen outbreak in South Africa on the consumer.
- Should animal feed not conform to the required quality standards and nutritional levels it could impact the growth, performance, production efficiency and even depletion of livestock.
- Vitamin, mineral and feed additive premixes are included in animal feed. Should this premix not conform to the required specification with respect to micronutrient content, it could impact the health and growth of livestock.

Impact on Six Capitals

UN SDGs impacted

2 ZERO HUNGER

3 GOOD HEALTH AND WELL-BEING

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Stakeholders impacted

Covered in peer reports

How is Astral mitigating the risk or managing the material matter?

- Increased monitoring and testing.
- Enhanced cleaning programmes.
- All processing facilities FSSC22000 certified.
- Traceability/product recall exercises.
- Regular audits performed by independent risk consultants, customers and independent standards authorities.
- Hygiene awareness programme.
- Consumer awareness programme.
- Repair and maintenance projects – hygiene.
- Additional capex projects.
- Product recall insurance.
- Post-mortem evaluation, serological, microbiology and molecular surveillance.
- Increased level of biosecurity, including suppliers.
- Availability of vaccination procedures.
- Culling and disposal protocols.
- Elimination of vectors, e.g. bird proofing.
- Cleaning and disinfection programmes.
- Contingency plan formulated in case of outbreak.
- Pre-screening of suppliers of raw materials to ensure they perform country of origin quality controls.
- On-going improvement in quality and production technology.
- Analytical laboratory competency.
- Stringent quality standards.
- Independent quality audits.
- On-going improvement of technology.
- Inclusion of ingredient tracers.

Trade-off/opportunities

- Astral employs a number of food safety and traceability measurements.

Potential stakeholder concern

- Impact of food-borne pathogens on food safety and consumer wellbeing.

Material topics

Customer safety | Governance | Compliance

5. Water and electricity infrastructure constraints

Description of the risk/matter

The inability of Government to provide water and electricity to businesses is of grave concern as it materially impacts the ability of Astral to operate efficiently as it is a large consumer of both these resources.

Link to the Astral strategy

- Investment in high quality, best cost operations.
- Focus on performance reliability and sustainability.

Impact on value

- Cost and availability of electricity and water.
- Unscheduled power and water interruptions.
- Municipal infrastructure not maintained – cost implication for the Group.
- Electricity cable theft resulting in business interruption.
- Water scarcity represents a critical risk to businesses and can seriously adversely affect activities and operational results.
- Restrictions on the volume of water collected from the environment in line with water usage licences can be lower than business requirement.
- Restrictions in the availability of electricity can negatively affect operations.

Impact on Six Capitals

UN SDGs impacted

6 CLEAN WATER AND SANITATION

7 AFFORDABLE AND CLEAN ENERGY

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

13 CLIMATE ACTION

Stakeholders impacted

Covered in peer reports

How is Astral mitigating the risk or managing the material matter?

Electricity

- Alternative energy sources identified and utilised.
- Wheeling agreements with alternative energy suppliers.
- Direct supply from Eskom.
- Planned production runs.
- Load curtailment agreements.
- Available capacity post expansion.
- Backup generators.

Water

- Increase in water reservoir capacity and enhancement of distribution.
- Water savings initiatives.
- Groundwater sources.
- Purification and recycling of water.
- Evaluate alternative water sources/supply.

Trade-off/opportunities

- Water supply interruptions at Astral's poultry processing plants.
- Loadshedding impact on Astral's operations.

Potential stakeholder concern

- High capex spend to install generators, solar panels and water storage as well as purification systems.
- However, makes Astral less dependent on public infrastructure.

Material topics	Sustainability of the business	Optimal capital expenditure allocation and management

Business Risks and Material Matters Report (continued)

6. Our employees and conditions of employment

Description of the risk/matter

Loss of strategic employees. National competitors and international companies are targeting our talent pools. It is expected that the competition for talent will become an increased risk within South Africa as the skills market is quickly deteriorating in terms of capability, availability and competitiveness.

Problems in negotiating acceptable agreements with Trade Unions can represent risks of downtime and strikes.

The lack or inefficiency of security procedures, as well as the adoption of these criteria by the employees, can result in accidents, productivity losses and costs.

Link to the Astral strategy

- Invest in our people.
- Focus on performance reliability and sustainability.
- Focus on strengthened external relationships.

Impact on value

- Total labour cost is amongst our highest expenses. Structural revisions can therefore lead to additional operating expenses.
- Having to pay above industry-related salaries and wages to retain employees.
- The cost of training employees.
- Zero-fatality target and strict application of OHASA regulations.
- Strike actions impact profitability.

Impact on Six Capitals

UN SDGs impacted

3 GOOD HEALTH AND WELL-BEING

5 GENDER EQUALITY

8 DECENT WORK AND ECONOMIC GROWTH

Stakeholders impacted

Covered in peer reports

How is Astral mitigating the risk or managing the material matter?

- Recruitment procedures: Employing the best talent, at the right time and at the right place is underpinned by our talent acquisition, development and succession planning capabilities to sustain and improve both our culture and our people.
- Market-related salaries and continued benchmarking.
- Incentive and retention programme.
- Succession planning.
- Training and development programmes.
- Health and safety.
- Employee wellness programmes.
- Management and Trade Union meetings.
- Internal newsletters and notice boards.

Potential stakeholder concern

- Adherence to regulatory requirements, sound social governance and ethical conduct.
- Succession planning of Exco.
- Gender equality and transformation.
- Fair working conditions.

Trade-off/opportunities

- Astral provides attractive and safe working conditions, which ensures employee retention.

Material topics			
	Labour rights and working conditions	Security practices	Remuneration Policy

7. Innovation and technology

Description of the risk/matter

Genetic improvement programmes to ensure that the performance of the Ross 308 is maintained at optimal levels.

Innovation

Business success depends on ability to innovate and to anticipate changes in consumer habits and preferences, developing and launching products with value proposals that tie in with the market trends and consumer needs, creating distinct demands and driving the market.

Technology

Risk of financial loss, disruption or damage to the reputation of an organisation from some sort of failure of its IT systems.

The risk of fraudulent activities and theft of product by employees and external parties that could lead to financial losses.

Link to the Astral strategy

- Focus on performance reliability and sustainability.
- Focus on strengthened external relationships.

Impact on value

- The cost of buying quality great grandparent stock.
- The investment in innovation and technology will reduce profitability, negatively affecting shareholders.

Impact on Six Capitals

UN SDGs impacted

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

Stakeholders impacted

Covered in peer reports

How is Astral mitigating the risk or managing the material matter?

Genetics

- Astral has a long-term technical agreement with Aviagen, the multi-national company that holds the worldwide proprietary rights to the "Ross" brand.

Innovation

- R&D spend on looking at new value-add products.
- Consumer and customer surveys.
- International best practice benchmarking.

Technology

- Standardised Group policies.
- Anti-virus software.
- Filtered access to web content.
- Email filtering.
- Secured remote access.
- Network segregation.
- Regular enforced software updates.
- Independent intrusion detection testing.
- Response action plans.
- Internal and External Audit.
- Tip-offs anonymous hotline.
- Awareness and communication programmes.

Potential stakeholder concern

- Negative impact on Astral's best cost strategy and product innovation.

Trade-off/opportunities

The trend towards the prioritisation of health and wellbeing represents opportunities for the development of products.

Reinforcement of the attributes of quality and sustainability in brands is a strategic means for establishing leadership in market segments and categories.

The investment in innovation and technology will lead to improvements in efficiencies and possible market share over the medium term, which will positively affect shareholders.

The investments will also improve intellectual and social capital through enhanced intellectual property and customer satisfaction.

Material topics

Customer satisfaction | Market growth | Health and safety | Technology and innovation

Business Risks and Material Matters Report (continued)

8. Food and other waste management

Description of the risk/matter

Food waste is being incorporated into the Group's carbon footprint and may reduce opportunities to provide goods to the market due to efforts to reduce carbon emissions in supply chains.

The risk of not managing **other waste**, like packaging materials, responsibly, could lead to pollution.

Link to the Astral strategy

- Investment in high quality, best cost operations.
- Focus on performance reliability and sustainability.
- Focus on strengthened external relationships.

Impact on value

- Investing in packaging and recycling will reduce profitability, negatively affecting shareholders.
- Consumer pricing may be affected negatively, leading to a decrease in sales.

Impact on Six Capitals

UN SDGs impacted

Stakeholders impacted

Covered in peer reports

How is Astral mitigating the risk or managing the material matter?

- Disposing of food waste is done in accordance with Food Regulations.
- Optimisation of the packaging structures to reduce the consumption of materials and, at the same time, maintain the level of protection for the product.

Potential stakeholder concern

- Negative impact on the environment and non-adherence to prescribed regulations with the risk of penalties.

Trade-off/opportunities

Opportunity for enhanced reputation and stakeholder relationships.

However, the investment in recyclable or environmental-friendly packaging, will lead to improvements in natural capital.

Material topics				
	Waste	Carbon emissions	Governance	Sustainable production and consumption

9. Ethics and transparency

Description of the risk/matter

Failure to comply with the laws and regulations designed to combat fraud, corruption, theft and money laundering, and other national and international laws and regulations can represent risks to the continuity of the businesses.

Malicious damage in the form of virus and cyber-attacks.

Link to the Astral strategy

- Focus on performance reliability and sustainability.
- Focus on strengthened external relationships.
- Invest in our people.

Impact on value

- Investing in enhancing ethics and transparency will reduce profitability, negatively affecting shareholders.
- Financial loss, disruption or damage to the reputation of an organisation from some sort of failure of its IT systems.

Impact on Six Capitals

UN SDGs impacted

None

Stakeholders impacted

Covered in peer reports

How is Astral mitigating the risk or managing the material matter?

- Company policies.
- Internal and external audits.
- Management review.
- Adherence to regulatory requirements, sound corporate governance and ethical conduct.
- Ensuring independent assurance takes place at all levels of our business.
- Accountability of employees to ensure compliance.
- Tip-offs anonymous hotline.
- Awareness and communication programmes.
- Contracting of reputable security service providers.
- All exit points are protected with Tier 1 firewalls.
- Anti-virus software is in use on all IT systems.
- Filtered access to web content.
- Secure password reset tool, secure remote access, regular updates on Windows patches. Independent intrusion detection testing and response action plans.
- Proactive stakeholder engagement.

Trade-off/opportunities

- Negative impact on good governance leading to stakeholder value destruction.
- Financial loss, disruption or damage to the reputation of Astral.

Potential stakeholder concern

The investment in ethics and transparency will lead to reductions in financial liabilities over the medium term, which will positively affect shareholders.

Material topics

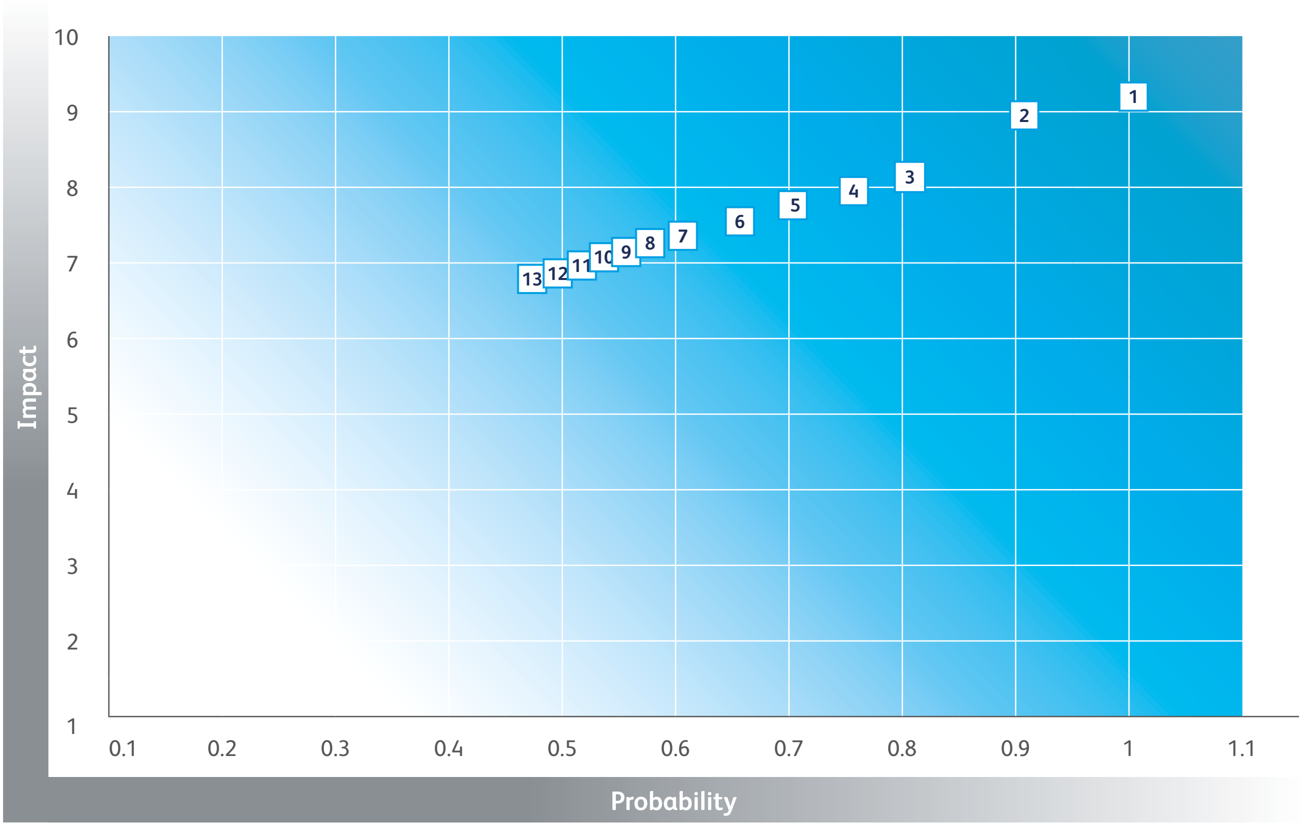
Ethics	Governance

Business Risks and Material Matters Report (continued)

Major risks

2024	2023	Change	Astral's major risks	Business risk and material matters category		Page
1	1.	–	HPAI outbreak.	1	Biosecurity.	35
2	2.	–	Prolonged imbalance in the supply and demand of poultry meat.	2	Imbalance of poultry supply and demand.	36
3	3.	–	Prolonged higher raw material costs.	3	Raw material availability and/or price.	37
4	4.	–	Poultry products contaminated with bacterium that cause serious infections.	4	Food safety.	38
5	6.	▲	Water supply and quality.	5	Water and electricity infrastructure constraints.	39
6	5.	▼	Electricity: security of supply and cost.	5	Water and electricity infrastructure constraints.	39
7	7.	–	A breakdown in biosecurity and threat of new diseases.	1	Biosecurity.	35
8	8.	–	Premix micro ingredient deficiency and/or contamination with undesirable substances.	4	Food safety.	38
9	9.	–	Non-conformance to final feed specifications impact on the breeding programme.	7	Innovation and technology – genetics performance.	41
10	13.	▲	Loss of strategic employee skills.	6	Our employees and conditions of employment.	40
11	11.	–	Malicious damage – cyber and virus attacks.	7	Innovation and technology – technology.	41
12	12.	–	Fraud, theft and dishonesty due to the nature of the Group's products.	9	Ethics and transparency.	43
13	10.	▼	Lack of continuous genetic improvement.	7	Innovation and technology – genetics.	41

Inherent risk rating

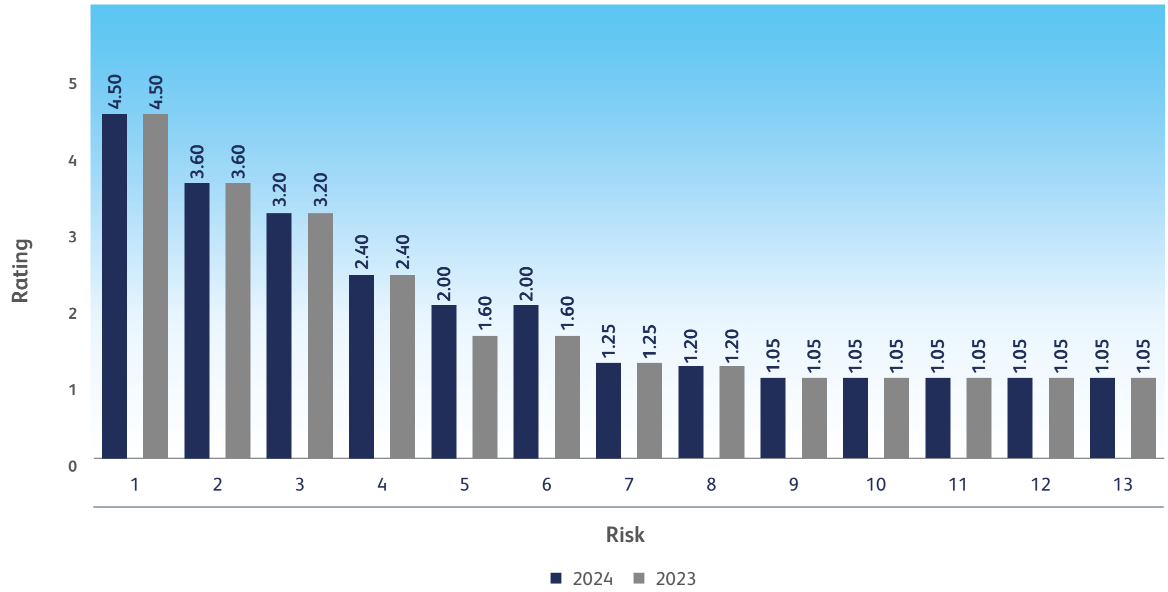


Residual risk status

This is the value of risk that the organisation is exposed to taking into account the inherent risk, reduced by the related controls that exist to manage that risk. Residual risk/exposure is, therefore, the product of the inherent risk and the control effectiveness factor. Residual risk can be ranked or classified from 1 to 5 as follows:

Level	Description	Rating
Immediate action required	Management should take immediate action to reduce residual risk exposure to an acceptable level.	4 +
Action required	Management should implement more controls or increase the effectiveness of current controls to reduce the residual risk to a more acceptable level.	3 – 4
Monitor	Management should constantly monitor the risk exposure and related control effectiveness.	2 – 3
Tolerable	The residual risk exposure is acceptable to the Group.	1 – 2
Acceptable	Management may consider reducing the cost of control.	0 – 1

Residual risk rating



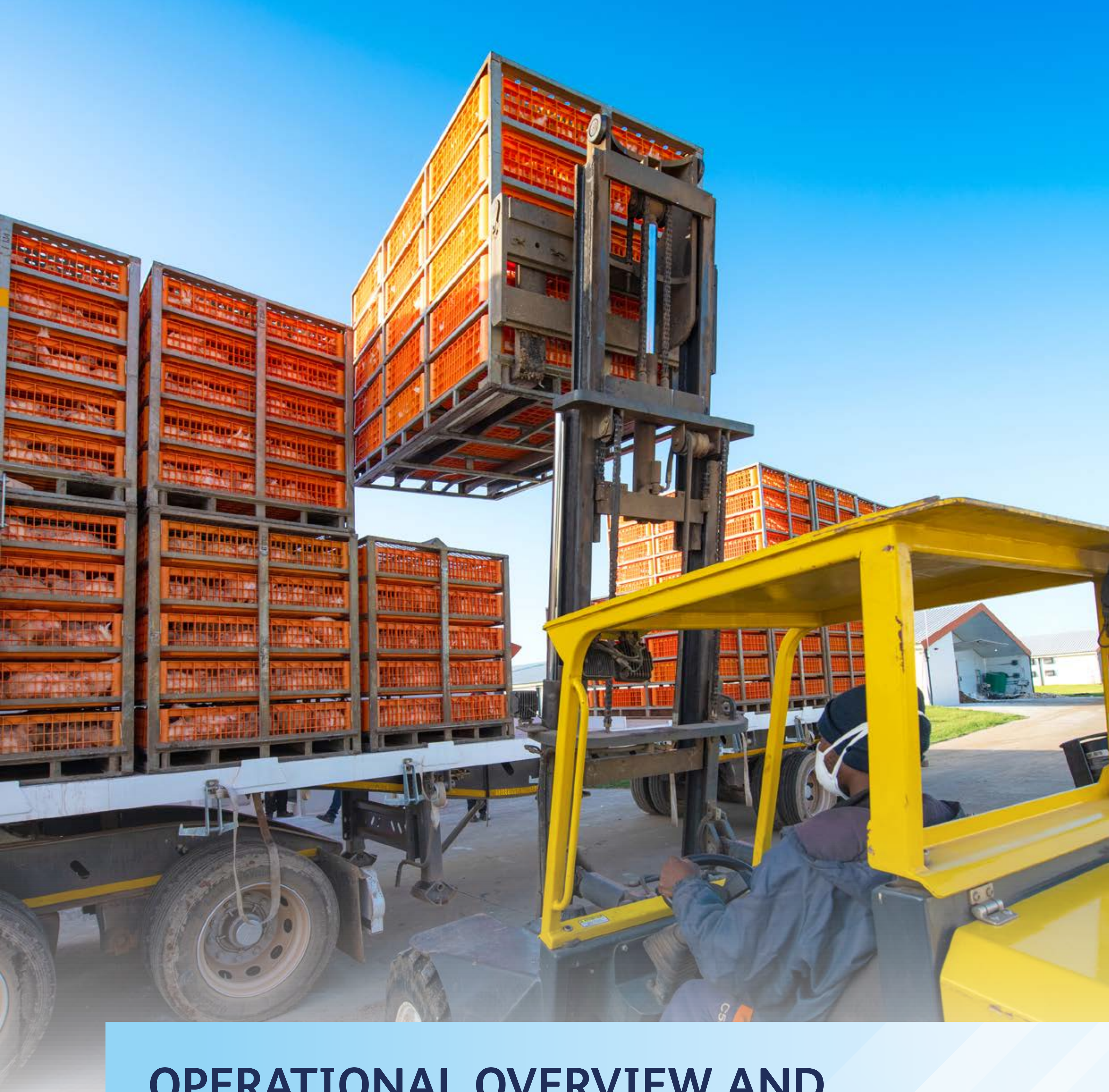
Outbound Logistics

Business Risks and Material Matters Report (continued)

Value-Added Statement

Distribution of economic value generated for stakeholders

	Year ended 30 September			
	2024 R'm	2024 %	2023 R'm	2023 %
Value added:				
Sales of goods and services	20 480		19 251	
Less: Cost of materials and services	(16 385)		(17 159)	
Value added from trading operations	4 095	99.1	2 092	98.5
Income from investments	37	0.9	33	1.5
Total value added	4 132	100.0	2 125	100.0
Value distributed:				
To labour	2 539	61.4	2 343	110.3
To Government	288	7.0	(167)	(7.9)
– Income tax expense/(income)	271		(185)	
– Skills development levy	17		18	
To providers of capital	190	4.6	365	17.2
– Dividends to shareholders	–		226	
– Interest on lease liabilities	79		57	
– Interest on borrowings	111		82	
Total distributions	3 017	73.0	2 541	119.6
(Loss)/income (incurred)/retained in the business	1 115	27.0	(416)	(19.6)
– Depreciation and amortisation	321		310	
– Retained income/(loss) for the year	794		(726)	
Total value distributed and reinvested	4 132	100.0	2 125	100.0
Revenue generated in South Africa	98%		98 %	
Employees	12 293		12 311	
Revenue generated per employee (R'000)	1 666		1 564	
Value distributed per employee (R'000)	336		173	



OPERATIONAL OVERVIEW AND PERFORMANCE

Business Model

Integrated across the animal feed and poultry production chain

INPUTS

Intellectual Capital

- Brands
- Technical skills
- Partner with world-leading companies

Human Capital

- Our people
- Health, safety and environment

Manufactured Capital

- State-of-the-art plants and facilities
- ISO accredited operations
- Geographical representation

Financial Capital

- Strong financial position
- Good cash flows

Social and Relationship Capital

- Reliable contract growers
- Loyal suppliers
- Give back to communities in which we operate

Natural Capital

- Own water purification systems
- Reduce carbon footprint where possible

EXTERNAL SUPPLIERS

GRANDPARENT BREEDING

ROSS An Aviagen Brand

3 Weeks Hatching

PARENT BREEDING

National Chicks, TIGER Chicks (Less Feed • More Meat), Goldi Chicken, County Fair, Festive

BROILER OPERATIONS

Goldi Chicken, County Fair, Festive, Mountain Valley

POULTRY AGRICULTURE

FEED SUPPLY

Cal Labs, Meadow (More than just feed), Tiger Animal Feeds (More than just feed)

POULTRY COMMERCIAL

PROCESSING OPERATIONS

Goldi Chicken, County Fair, Festive, Mountain Valley

Astral is committed to contributing to the following SDGs

8 DECENT WORK AND ECONOMIC GROWTH
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
10 REDUCED INEQUALITIES
11 SUSTAINABLE CITIES AND COMMUNITIES
12 RESPONSIBLE CONSUMPTION AND PRODUCTION

OUTPUTS

22 Weeks Rearing

40 Weeks Laying

EXTERNAL CUSTOMERS

Intellectual Capital

- Brand loyalty
- Technical skills transfer
- State-of-the-art technology and intellectual property

Human Capital

- Dedicated and committed workforce
- Upskilling of employees

Manufactured Capital

- Food security
- Service excellence
- Market share
- Affordable protein source to support food security

Financial Capital

- Shareholder value
- ROE

Social and Relationship Capital

- Contract grower expansion
- Loyal customers
- Support communities in which we operate

Natural Capital

- Own water supply
- Reduced carbon footprint
- Sustainable environmental practices

Executive Management

The Executive Management consists of a number of senior managers who support the key operational performance areas of the Group.

Chris Schutte (64)

Chief Executive Officer

Chris joined Astral in 2002. Chris will be retiring on 30 January 2025. Refer to page 16 for his CV.

Dries Ferreira (46)

Chief Financial Officer

Dries joined Astral in 2022. Refer to page 16 for his CV.

Gary Arnold (52)

Group Chief Operating Officer

Gary joined Astral in 2006. Refer to page 17 for his CV. Gary has been appointed Chief Executive Officer effective 1 February 2025.

Michael Schmitz (63)

Managing Director: Feed

Michael joined Meadow Feeds in 1987. In 2017 he was promoted to his current position as Managing Director of the Feed Division.

Frans van Heerden (44)

Managing Director: Poultry Commercial

Frans joined Astral in 2007. Frans will be resigning on 30 January 2025. Refer to page 17 for his CV.

Obed Lukhele (49)

Technical Executive: Agriculture

Obed joined Astral in May 2007 and has occupied different positions of veterinary support and strategy. In 2022 he was appointed as Managing Director: Poultry Agriculture until 31 August 2023. Effective 1 September 2023, Obed has taken on the role of Technical Executive: Agriculture, heading up a centre of excellence encompassing poultry nutrition, poultry veterinary sciences, biosecurity and laboratory services.

Gideon Jordaan (50)

Human Resources Executive

Gideon joined Astral in August 2019. He is responsible for Human Resources, transformation and sustainability.

Nikki Moodley (54)

Operations Improvement Executive

Nikki joined Astral in January 2016. She is responsible for improving operations and supply chain management. She also has experience in food safety and quality, environmental, health and safety and risk management.


Chris Schutte


Dries Ferreira


Gary Arnold


Michael Schmitz


Frans van Heerden


Obed Lukhele

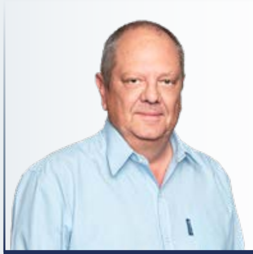

Gideon Jordaan


Nikki Moodley

Evert Potgieter (54)

Director: Risk Management

Evert joined Astral in 2006 as Internal Audit Manager. Evert's current responsibilities include the Internal Audit Department, risk management, insurance, continuous improvement programme and IT for the Group.



Evert Potgieter

Gerhard Pretorius (48)

Nutrition Executive

Gerhard joined Meadow Feeds in 1999. In 2015 he became the Nutritional Manager Poultry in the Agricultural Division.

Gerhard Pretorius

Anil Rambally (52)

Purchasing and Sustainability Executive

Anil joined Astral in 1999 and was promoted in 2009 to Executive Manager: Preferential Purchasing for Astral. He is currently responsible for environmental initiatives as well as the vetting of suppliers.

Anil Rambally

Kenny Schoeman (43)

Managing Director Agriculture

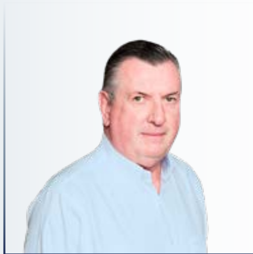
Kenny's qualifications are CA(SA), ACMA, GCMA and LLB. He started his career with Astral in 2010 as Financial Manager: Feed Division, Mozambique until 2011. He left Astral for six months and rejoined the Group in August 2011 as Financial Manager: Poultry Division, Mountain Valley and transferred to Festive in 2013. In 2015 he was appointed COO of Festive and in 2017 Operations Manager: Poultry Division, Central Region. In 2018 Kenny was appointed as Financial Manager: Poultry Division, Central Region. In 2022 he was promoted to Business Development Manager of the Group. Kenny was appointed Managing Director with effect from 1 July 2024.

Kenny Schoeman

Colin Smith (63)

Marketing Executive

Colin joined Astral in 2011 as COO of Festive. He is currently the head of the Marketing Division of Astral.



Colin Smith

Louis Vermaas (52)

Sales Executive

Louis started his career with Earlybird in 1994. He left Astral in 2004 and in 2012 he rejoined Astral.

Louis Vermaas

Corporate Services

Leonie Marupen (52)

Group Company Secretary

Leonie started her career as Assistant Company Secretary at DRDGOLD in 2001. She has experience in company secretarial and corporate governance and after 18 years with DRDGOLD she joined Astral on 1 August 2019 as Assistant Company Secretary. Leonie was appointed as Group Company Secretary effective 1 March 2020.

Leonie Marupen

Isak Burger (54)

Group Credit Manager

Isak started his career at Genfoods (now Premier Foods.) as Credit Manager. He worked at TSB for 14 years as Credit Manager and Company Secretary. He joined Astral on 1 February 2017 as the Poultry Division's Credit Manager and on 1 July 2024 was appointed as Group Credit Manager.

Isak Burger

Divisional Overview and Performance

FEED DIVISION

Business overview

MEADOW FEEDS

Since 1942, Meadow Feeds has been supplying safe, superior quality feed to livestock producers, making it our mission to deliver more than just feed throughout Southern Africa, utilising our experience and expertise to earn the trust of generations of farmers who are committed to putting wholesome food-on-tables.

Meadow Feeds supports consumers' increased awareness and demand for ethical practices leading to safer food and product quality guarantees. This is increasingly relevant to modern agriculture with commercial and emerging farmers demanding the very best in animal feed.

The application of world-class technology, production standards in feed safety and production methods ensure that Meadow Feeds delivers what farmers require most – good value, safe feed and superior yields.

Our seven well-situated mills use sophisticated automation and control systems, facilitating precise operations and the blending of the correct ingredients at formulated levels.

More than just feed

Tiger Animal Feeds

Zambia

Tiger Animal Feeds is a leading animal feed supplier in Zambia. Its world-class range of feeds, strong distribution network and on-site nutritional service has greatly contributed to the growth and the profitability of farmers and the establishment of new farmers through training and after-sales support programmes. All products conform to the quality assurance standards of the Zambian Bureau of Standards and are backed by an array of quality assurance systems used by Meadow Feeds.

More than just feed

CAL

Offers a diverse range of laboratory analyses to the animal feed industry.

Employs the latest instruments and methods to provide the best possible service to its client base. With access to international method databases and through technology partners, the dedicated team provides a comprehensive range of scientific tests.

Our recently opened ISO 17025 accredited Serology laboratory utilises international kits in a custom-designed automated laboratory.

We use the principles of “6 P’s” to provide our customers with quality feed and service.

Our Purpose

Our purpose is scientifically and cost effectively to meet the requirements of modern farm animals, which require a finely balanced and expertly manufactured feed to perform to their genetic potential.

Our Process

We have agreements with the world’s leading animal nutrition companies to ensure that we stay abreast of the latest global developments in animal feed. Our nutritionists use the foremost formulation software to optimise least cost and balanced animal diets at a nutrient level. Raw materials are sourced from accredited and rigorously approved suppliers to reduce risk and ensure consistent quality from source. Partnerships with accredited logistics companies ensure that feed is delivered to farms, and that the biosecurity and traceability chain is maintained throughout.

Our Promise

We incorporate quality assurance systems and the comprehensive risk management approach to ensure the safety, integrity and traceability of our products. Our mills are ISO accredited and audited by the SABS. As members of the Animal Feed Manufacturers Association, whose mission is to ensure “Safe Feed for Safe Food”, we voluntarily comply with the association’s Code of Conduct and we are audited by Afri-Compliance on an annual basis.

Our People

Our people proudly drive our vision to deliver more than just feed throughout Southern Africa. A culture of hard work and respect for ethical business practices and good governance is clearly evident throughout our organisation.

Our Pedigree

For almost 80 years, Meadow Feeds has been supplying safe, high quality feeds to Southern African livestock producers, using our unrivalled experience and expertise to earn the trust of generations of farmers who bring wholesome meat, milk and eggs to your table.

Our Passion

Our passion for animal nutrition has made us the largest feed company in Africa and the leading supplier of innovative high performance feed solutions.

Regulators and compliance

The manufacturing of animal feed is governed by the Farm Feeds Act – Act 36 of 1947 (Fertilisers, Farm Feeds, Agricultural Remedies and Stock Remedies Act, 1947). All Meadow Feeds South Africa operations are independently audited and certified by an accredited organisation, AFRI Compliance, which is a forensic investigation company, ensuring full compliance with the Farm Feeds Act.

The following compliance standards were met for the year ended 30 September 2024:

Meadow Feeds	ISO 22000:2018	ISO 9001:2015	AFRI Compliance	AFMA Compliance
Randfontein	✓	✓	✓	✓
Delmas	–	✓	✓	✓
Standerton	✓	✓	✓	✓
Pietermaritzburg	✓	✓	✓	✓
Paarl	✓	✓	✓	✓
Port Elizabeth	–	✓	✓	✓
Ladismith	–	✓	✓	✓

ISO 22000:2018	*Food Safety Management Systems Certification*
ISO 9001:2015	*Quality Management Systems Certification*
AFRI Compliance	*Compliance to AFRI Compliance Protocol – Legal Focus on Act 36 of 1947*
AFMA	*Feed Industry Code of Conduct in South Africa*
✓	*Comply*

Divisional Overview and Performance (continued)

Financial performance – 2024

Revenue decreased by 15.2 % to R9.8 billion (2023: R11.6 billion), mainly driven by lower feed selling prices on the back of a decrease in raw material costs and lower internal feed sale volumes. SAFEX yellow maize prices decreased to an average of R3 988 per ton (2023: R4 205 per ton) for the year under review, down by R217 per ton year-on-year. Soya meal prices also decreased to R9 820 per ton (2023: R11 721 per ton).

Feed sales volumes decreased by 11.0 %, as the internal requirement for broiler feed decreased by 19.5 % (187 133 tons), due to higher feed consumption in the comparable period as a result of the slaughter backlog of older and heavier birds caused by loadshedding. External feed sales volumes increased by 4.7 % (24 503 tons), mainly driven by higher demand from the pig and sheep feed sectors, as well as growth in the external feed market for Tiger Animal Feeds in Zambia.

The operating profit for this division decreased by 28.3 % to R545 million (2023: R759 million), as a result of lower internal sales volumes. The operating profit margin decreased from 6.5 % to 5.5 % as a result of lower sales revenue driven by lower raw material costs and feed selling prices. The Rand per ton operating margin decreased due to lower internal sales volumes, where in the prior year higher sales volumes had the impact of diluting fixed overheads, resulting in an improved margin at that time.

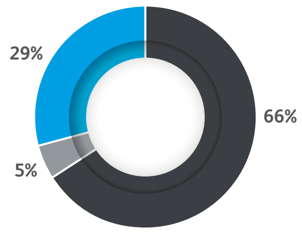
Tiger Animal Feeds in Zambia reported higher sales volumes which were up by 6.0 %. Unfortunately, the benefit of this increase in sales volumes was offset by higher raw material costs in Zambia due to drought conditions, negatively impacting margins.

Operational performance – 2024

Meadow Feeds supplied 58 % of its total volume to the Group's downstream poultry operations for the year under review. Total sales volumes decreased by 11.0 % year-on-year to 1 321 964 tons per annum (2023: 1 484 594 tons). Plant utilisation for the year under review was 65 %.

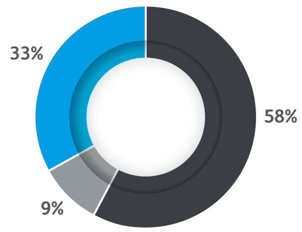
Meadow Feeds

Meadow Feeds' sales 2023



1 484 594 tons

Meadow Feeds' sales 2024



1 321 964 tons
Volume decrease = 11.0 %

■ Poultry Integrated ■ Poultry External ■ Other

Source: Own data

The average price of maize, the key driver of input cost into feed and the production cost of poultry meat, decreased marginally for the year under review. Internationally, corn prices have come under pressure due to large crops in the USA and positive production prospects out of South America. Although the price of local maize decreased during the year under review, the full benefit of the lower CBOT corn prices was not captured by local yellow maize prices, mainly due to South Africa producing a significantly smaller crop than the previous two years, resulting in local yellow maize prices increasing to import parity prices. As a result, at 30 September 2024 SAFEX yellow maize was priced 10.3 % (an average of R410 per ton) higher than at 30 September 2023.

From its eighth production forecast, the Crop Estimates Committee expects local maize production to be 12.80 million metric tons for 2024. This is a significant reduction from the previous year when 16.43 million metric tons were produced. In contrast to the previous year, local maize prices will remain at import parity prices versus export parity prices last year. However, with weather forecasts indicating normal to above-normal rainfall in South Africa, the likelihood exists that the country will return to a normal production year in 2025, which will result in supply and demand being more in balance, with the possibility of maize prices moving more to the export parity pricing.

Furthermore, local soybean production has also seen a significant reduction from last year, with 1.81 million metric tons production expected for 2024 versus 2.77 million metric tons produced in the previous season. Despite a significantly smaller crop, local prices of soybean meal, which is another key driver of input cost into feed, have decreased in the year under review. This is mainly due to a lower international price of soybean meal and a stronger Rand. However, the lower local soybean crop has resulted in a lower production of local soybean meal due to deteriorating soybean crush economics. As a result, South Africa is currently importing soybean meal from Argentina and the import programme will likely continue until the new crop is harvested.

Divisional Overview and Performance (continued)

POULTRY DIVISION

Business overview

Astral's Poultry Division consists of two sub-divisions, namely Agriculture and Commercial.

Agriculture

Ross Poultry Breeders

Sole distributor and supplier of the Ross 308 parent stock to the South African broiler industry. In close association with Aviagen, the global leader in poultry genetics based in Scotland, Ross Poultry Breeders continually develops and implements progressive biosecurity and production processes to ensure the delivery of disease-free "parent stock" to the South African poultry industry.

Our strategic partner Aviagen's international experience and technological expertise in the best-of-breed arena is key to our success. With great grandparent stock from Scotland and refined through two generations, the business requires intense focus on quality and biosecurity processes.

The supply and distribution of the Ross Poultry genetics in South Africa is secure.

National Chicks

Conducts business as an international supplier of day-old chicks and hatching eggs to the Group and to non-integrated independent operations in the sub-Saharan Africa region.

Operating throughout as a customer-focused organisation, National Chicks adopts disciplined technical- and service-oriented processes that deliver superior quality products to customers.

As one of the leading suppliers of day-old chicks to the industry, we carefully coordinate logistics to ensure that our products are delivered hygienically, securely and stress free to their destination. We achieve the above through the passion and dedication of our experienced and committed employees.

Our employees have many years of practical experience and continually strive to deliver the very best in eggs and day-old chicks to our customers throughout Southern Africa.

Integrated broiler operations

The three operations, Goldi, Festive and County Fair include broiler breeding (parent stock), hatcheries and broiler rearing activities. These agricultural operations are strategically located around the country to service the Goldi, Festive and County Fair processing facilities.

Tiger Chicks
Zambia

Tiger Chicks has the capacity to produce 200 000 day-old chicks per week. It is a breeder farm and hatchery producing day-old broiler chicks for the Zambian and future export market. Tiger Chicks has not only introduced a new broiler breed, the Indian River, the first "slow feathering" broiler bird to be bred in Africa into Zambia, but also into Africa.

The Agriculture Division encompasses the complete breeding programme from Grand Parents (progeny of Great Grand Parents imported from Aviagen in Scotland) to the Parent Stock breeding programme. Broiler day-old chicks are produced and reared at the targeted live weight and delivered to the Commercial Division for processing. Astral has approximately 34 000 000 birds on farm at any given point in time in order to supply approximately 5 400 000 birds per week to the processing plants. The Agriculture sub-division strives to optimise production efficiency to provide the best live cost possible to the Commercial sub-division.

Bird welfare

We consider the wellbeing of our biological assets, the chickens, and safety of derivative products (poultry meat and meat products) for human consumption as paramount. This is achieved through implementation of the SAPA's Code of Practice that serves as a guide on standards for bird welfare.

Genetics and nutrition

The broiler breed called Ross 308 is known for its improved production efficiencies which are realised only when a fine balance between genetics, nutrition, disease control and housing environment is achieved. Birds have free and easy access to nutritious and safe feed as well as clean water.

No hormones are used to improve growth and feed utilisation.

Health and product safety

Strict hygiene standards are maintained through cleaning of floors and equipment with detergents (soap) followed by disinfection (sanitation) at the end of each production cycle. Bacterial tests are regularly conducted on cleaned floors and equipment to ensure the efficacy of cleaning chemicals and methods. This practice eliminates disease-causing organisms, thereby improving bird health. Furthermore, our team of veterinarians continually monitor the health status of chickens. Antibiotics are used under strict veterinary supervision for prevention, control and treatment of specific conditions in order to reduce stress, pain and suffering of the birds. Antibiotics are withdrawn timeously from live chickens prior to slaughter in order to comply with regulations.

Housing environment

As none of our chickens are kept in cages, floors in all houses are bedded with clean good quality wood shavings, sunflower husks or wheat straw that keep the birds dry and warm and enable them to scratch and wallow. The bedding that our chicks are placed on in the houses is turned to prevent excessively wet or uncomfortable conditions. Our chicken houses are specifically designed for optimum ventilation and temperature control.

The lighting period is kept longer during the first few days of the birds' life in order to encourage them to eat and drink. Once the chicks have acclimatised to the new environment, lighting is adjusted to enable them to sleep naturally, as they may require.

Tweefontein Breeders

Divisional Overview and Performance (continued)

Commercial

Goldi

This processing facility is located in Standerton (Mpumalanga). It has its own breeding and hatching operation and processing capacity of approximately 2.0 million broilers per week and makes use of a large number of contract growers to rear birds for slaughter.

Various well-known brands such as Festive, Goldi and SupaStar are marketed and distributed into the wholesale and retail sectors. Products are supplied to the QSR industry, most notably Spur, Hungry Lion, KFC, Nando's and the Famous Brands Group (Wimpy, Steers).

Meadow Feeds' operations, situated in Delmas and Standerton, supply feed to this integrated broiler operation.

Goldi as the largest employer in Standerton has close links with the community it serves and is proud to put great South African chicken on the plates of customers every day.

Festive

This processing facility is located in Olifantsfontein (Gauteng). It has its own breeding and hatching operation and processing capacity of approximately 2.3 million broilers per week making use of a large number of contract growers to rear birds for slaughter. Various well-known brands such as Festive, Goldi and SupaStar are marketed and distributed into the wholesale and retail sectors.

Products are supplied to the QSR industry, most notably Spur, Hungry Lion, KFC, Nando's and the Famous Brands Group (Wimpy, Steers).

Meadow Feeds' operations, situated in Randfontein and Delmas, supply feed to this integrated broiler operation.

County Fair

This processing facility, located in Agter-Paarl (Western Cape), is a fully integrated broiler producer with processing capacity of approximately 1.7 million broilers per week, including the broilers supplied by Tydstroom on a contract grower agreement.

The abattoir supplies birds to a fresh and frozen further processing facility in Epping Industria, Cape Town. A wide range of products are marketed under the County Fair brand. The day-old chicks hatched and placed on County Fair's grow-out farms are supplied by its in-house breeding operations. Meadow Feeds, situated in Paarl, supplies all the poultry feed requirements.

County Fair is the leading supplier of fresh chicken in addition to producing other top quality formats such as frozen and value-added products to the local Western Cape market as well as to the other regions nationally, giving it an expansive distribution footprint.

Mountain Valley

This processing facility, situated in Camperdown (KwaZulu-Natal), provides Astral with a strategic fresh processing presence in KwaZulu-Natal, processing 0.2 million broilers per week. Meadow Feeds, situated in Pietermaritzburg, supplies feed to Mountain Valley.

Mountain Valley has an important role to play within the local community, contributing to job creation and employment in KwaZulu-Natal and is proud to deliver first choice quality products to the local consumers in the region.

Astral has four processing plants that process, package, store and distribute its products. The Commercial sub-division is predominantly responsible for sales to the retail, wholesale and QSR customers who rely on us for the timely supply of quality chicken to the trade.

The strength of our organisation lies in our customers' decision to purchase and consume our branded products. Our Goldi, County Fair, Festive, Mountain Valley, Earlybird and SupaStar brands are marketed to a diverse consumer base, with frozen, fresh and value-added offerings for every occasion. We produce leading brands of the highest quality and safety standards through ethical agriculture, modern processing and efficient supply chain methods. Our brands are the tangible culmination of Astral's vertically integrated operations, measured and audited across the entire process from "farm-to-fork" that ensures full traceability.

Our brands are widely available across retail and wholesale outlets countrywide, in both formal and informal markets. Astral additionally packs selective Dealer Own Brands for a number of key customers.

We recognise that our brands are valuable intangible assets and important sources of origin of the products and therefore we regard the protection and enforcement of our trademark rights as pivotal to our business.

The need for manufacturers to market products that meet the required food safety standards has resulted in a number of on-going initiatives and practices to comply with legislation. The Consumer Goods Council of South Africa in recent years founded the Food Safety Institute, to which we subscribe. Reviews of various statutory requirements and industry legislation have been implemented to better control product quality and food safety.

We take a proactive approach to ensure all processing plants involved in the food chain are HACCP Systems or Quality Management Systems Certification (ISO) certified in terms of Food Safety Management Systems.

We follow a farm-to-fork approach, from control of animal feed quality, health of grandparents, parents and broilers as well as hygiene at the abattoirs, processing plants, cold chain facilities and distribution points to end users. Preventative medicine to control food-borne diseases is strictly used in line with legislation. Monitoring for biological and chemical residues is done by reputable independent laboratories. A team of in-house consulting veterinarians assists the Group. All our abattoirs consistently perform above 80 % in the Department of Agriculture's Hygiene Programme.

We emphasise the importance of traceability of final product and are in a position to trace any emergency situation arising through the system from final product to chicken growing and feed supply. We are actively involved in a number of forums such as the SAPA, Codex Committees and Statute Committees.

Operation	FSSC 22000	Export	McDonalds	YUM Quality Systems	Nando's	Halaal
Festive	Certified	Approved	Approved	Approved	Approved	MJC
Goldi	Certified	Approved	Not required	Approved	Approved	MJC
Goldi – further processing	Certified	Approved	Not required	Not required	Not required	MJC
Mountain Valley	Certified	N/A	Not required	Not required	Not required	SANHA
County Fair – Hocroft	Certified	Approved	Approved	Approved	Approved	MJC
County Fair – Epping	Certified	NMCS approved	Not required	Not required	Not required	MJC

FSSC *Certification Scheme for Food Safety Systems including ISO 22000; ISO/TS 22002-1: 2009 and additional FSSC 22000 requirements*
YUM QSA *YUM Quality Safety Management System*
MJC *Muslim Judicial Council certified*
SANHA *South African National Halaal Authority certified*
NMCS *New Market Cold Storage*
N/A *Not Applicable*

The FSSC food safety management programme, used as a vehicle to align to the "farm-to-fork" principle, is the departure point of our production. Adhering to the strict standards and control measures of FSSC allows us to ensure a safe product is produced and a secure working environment is maintained. From the handling of raw materials to the processing of foods, we protect our customers and consumers against biological and chemical allergens and physical hazards at every stage of the process. Beginning with Hazard Analysis, we identify the critical points, establish limits, monitor procedures, correct our actions, keep meticulous records and verify the safety and quality of our products.

Divisional Overview and Performance (continued)

Financial performance – 2024

Revenue increased by 7.7 % to R17.1 billion (2023: R15.8 billion), driven by an increase in broiler sales volumes and an improvement in broiler sales realisations over the comparable period. During 2023, the demand for Astral's poultry products slowed on a change in the product basket, given the impact of loadshedding disrupting the poultry processing operations and subsequent sales mix at the time. However, this improved in 2024 as the product basket normalised.

Broiler slaughter numbers increased by 10.5 % over the comparable period, where a lower quantity of birds, but with a significantly heavier live weights, were processed following the impact of loadshedding. Sales volumes increased by 4.6 % (representing 21 449 tons) for the year, positively impacted by an increase in fresh and QSR sales volumes. Frozen poultry finished good stock levels at 30 September 2024 were lower than at the end of the prior year.

Broiler sales realisations improved by 5.2 % due to an improved sales mix and an effort to recover inflationary costs. Broiler net margins for the year recovered to a very thin 1.3 %. This represents an improvement over the comparable period where a negative margin was reported due to the impact of loadshedding and bird flu costs (2023: -9.7 %). Margin pressure was felt during the second half of the reporting period due to lower poultry pricing levels on slow demand during the winter months, and subdued consumer spending.

Operating profit for the Poultry Division increased by 142 % to R580 million (2023: loss of R1 380 million). The operating profit margin increased to 3.4 % (2023: -8.5 %). Non-feed costs in the division reduced year-on-year, positively impacted by the reduced cost of loadshedding at R151 million (R410 million lower than the prior year) and costs relating to water supply interruptions at R14 million (R17 million lower than 2023). The profitability benefited from an insurance recovery relating to the 2023 HPAI claim of R198 million in the broiler breeding operations.

Broiler performances improved significantly following the normalisation of bird age and live weight in June 2023, as the backlog in the slaughter programme following the loadshedding crisis was cleared, with efficiencies for the twelve months ended 30 September 2024 surpassing historical performances. Together with lower feed prices on better raw material input costs over the comparable period, broiler live cost improved for the year under review. Broiler feed prices decreased by 2.1 % over the year, with feed cost remaining the key driver of profitability, representing approximately 65 % of the live cost of a broiler.

Total poultry imports for the year under review averaged 34 232 tons (2023: 33 394 tons), representing a slight increase of 2.5 % compared to last year.


Kaalfontein Hatchery

Astral's Poultry Division comprises the following activities:
- Poultry genetics;
- Hatching eggs and broiler day-old chicks;
- Broiler breeding operations; and
- Broiler operations.

Poultry genetics

The Group's genetic operation, Ross Poultry Breeders, operates in association with Aviagen Limited, a global leader in the development and genetic improvement of commercial chicken breeds. Ross Poultry Breeders posted a good performance for the year, due to an increase in parent stock sales volumes driven by increased demand following the HPAI outbreak in 2023.

Hatching eggs and broiler day-old chicks

National Chicks, the Group's commercial hatching egg and day-old chick producer, operating in South Africa, posted a satisfactory performance for the year, as the outbreak of HPAI in 2023 resulted in a shortage of hatching eggs and day-old chicks. National Chicks who were also impacted by bird flu during the 2023 outbreak, responded to the crisis and managed to import 32 million broiler hatching eggs for the South African broiler day-old chick market.

Broiler breeding operations

Following the outbreak of HPAI in the prior year in Gauteng and Mpumalanga, broiler breeder farms were restocked during the year. To mitigate the risk of another possible bird flu outbreak, not all the farms were fully stocked to limit the Group's exposure particularly in Gauteng, with broiler breeder flocks being moved further afield away from areas that suffered heavily during the 2023 epidemic. However, this did come at some expense to the Group in the day-old chick cost, as higher distribution and feed costs were incurred. Biosecurity protocols on all farms continue to be strictly enforced.

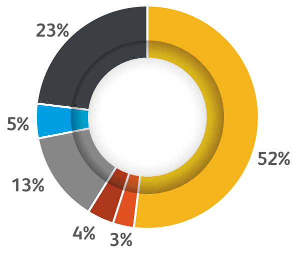
Broiler operations

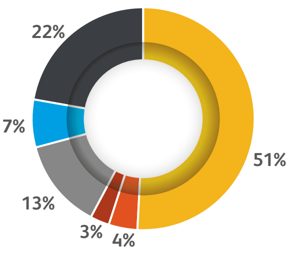
The four integrated broiler operations are strategically located in the major growth areas of Gauteng, Mpumalanga, the Western Cape and KwaZulu-Natal. The broiler operations processed approximately 5.4 million birds per week for FY2024.

	2024	2023	% change
Birds slaughtered – live weight per annum (tons)	**522 999**	539 591	(3.1)
Birds slaughtered per annum ('000)	**284 073**	257 017	10.5
Birds slaughtered per week (average) ('000)			
Festive (Olifantsfontein)	**2 062**	1 744	
Goldi (Standerton)	**1 638**	1 293	
County Fair (Agter-Paarl)	**1 567**	1 689	
Mountain Valley (Camperdown)	**196**	217	
Total	**5 463**	4 943	

Divisional Overview and Performance (continued)

Sales mix 2023	Sales mix 2024





469 308 tons

490 757 tons
Volume increase = 4.6 %

■ IQF mixed portions ■ IQF single portions ■ Frozen ■ Fresh ■ Value-added ■ Tertiary

Source: Own data

Sales product mix recovered with higher sales in fresh, value-added and the QSR sectors, as the bird weight normalised due to the reduced impact of loadshedding in the current year. Consumer disposable income was under pressure for the year that necessitated deep cut promotional activity in the retail sector to sell frozen products. The demand for fresh products remained strong, however lower demand from the QSR market was experienced – a direct result of loadshedding decreasing dramatically since last year.

Festive distribution centre

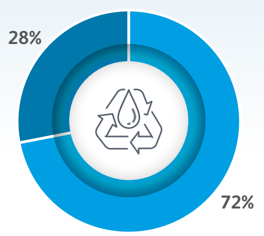
ESG SUSTAINABILITY REPORT

ESG Business Model

ENVIRONMENT

Water usage

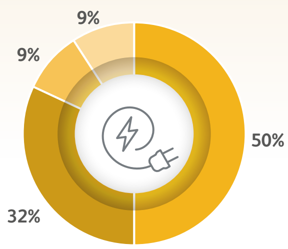
▲ 8.1% | 6 707 791kl



Water used
Water discharged

Energy usage

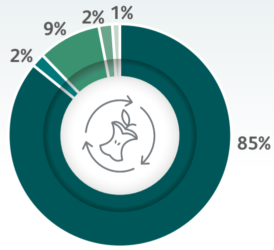
▼ 7.5% | 3 124 292GJ



Coal
Electricity
LPG
Diesel

Waste management

▲ 12.5% | 506 295t



Chicken litter
Hatchery waste
Farm waste
Rendering plant waste processed
Other

Disposing/recycling waste responsibly

Genetics improves productivity and sustainability over 20 years

Improved performance

The modern broiler is more biologically efficient
Per kg of live weight, it requires...

LESS FEED

EXTRA TOTAL EVISCERATED YIELD

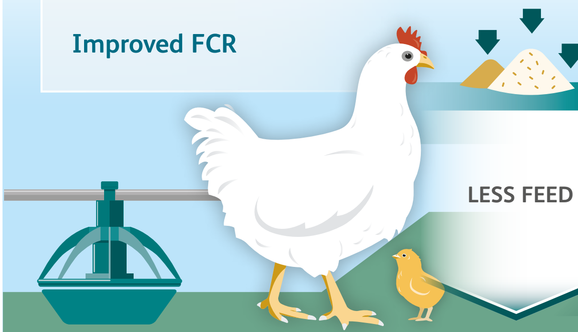
while **increasing liveability, health and welfare** through balanced selection

On farm performance

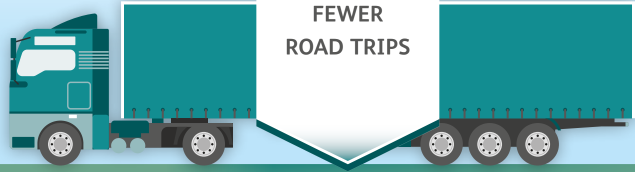
Slaughter age	▼
Live weight	▲
Average daily gain	▲
Mortality	▼
PEF	▲

Reduced land use and transportation

Improved FCR



LESS FEED



FEWER ROAD TRIPS

delivering raw materials and feed for broilers

Reduced carbon emissions ▼ 2.7% | 472 382t

SOCIAL

Our people:

- Paying market-related salaries and wages as well as to continue paying a living wage for entry-level skill employees
- Skills development through various SETA-accredited learnership programmes
- Promoting transformation and diversification opportunities
- Creating a safe environment to work in
- Various wellness programmes for our people

Astral Cares

- i Care for the hungry
- ii Care for those living with serious illness
- iii Care for our Astral family
- iv Care for our communities
- v Care for our producers
- vi Care for animals

GOVERNANCE

Good Corporate Governance provides the framework within which Astral strives to create superior levels of performance to the benefit of all stakeholders.

Governed by the:

Board | **Sub-committees** | **Executive Committee**

Sub-committees: Audit and Risk Management | Human Resources, Remuneration and Nominations | Social and Ethics | ESG

Compliance and adherence to, inter alia:

- Companies Act
- Code of Ethics
- Listings Requirements
- IFRS
- King IV™
- B-BBEE Act
- UN SDGs
- Various ISO compliances
- HACCP compliance
- SETA-accreditation
- Labour Law
- Health and Safety regulations
- Human Rights Policies
- Environment Conservation Act
- Consumer Protection Act
- Labelling Guidelines

ESG Committee Report

Dear shareholder,

I am proud to present the ESG Committee Report for the financial year ended 30 September 2024. This committee supports Astral's on-going sustainability efforts, focused on environmental stewardship, robust corporate governance, and responsible social engagement. ESG is a business imperative for Astral, as we are significantly impacted by environmental factors like electricity and water supply.

The ESG and Social and Ethics Committees continue to work together to ensure a collaborative approach in presenting the ESG Sustainability Report to the Board for approval.

Since I last wrote to you, there have been significant developments in ESG reporting standards. The International Sustainability Standards Board (ISSB) released the IFRS S1 and S2 during 2023. The objective is the disclosing of sustainability-related risks and opportunities. Furthermore, these standards also require the disclosure of climate-related risks and opportunities. These standards align efforts to integrate sustainability-related and climate-related risks into reporting that provide information for financial investment decision-making.

The IFRS standards are applicable for annual reporting periods on or after 1 January 2024 on a voluntary basis. As a responsible corporate citizen, Astral is committed to ESG reporting in line with the IFRS standards.

The committee is confident in its successful fulfilment of the responsibilities as outlined in its mandate and terms of reference during FY2024. I extend my gratitude to the members of the ESG Committee for their unwavering dedication and effort.

AD Cupido
Chairman

13 November 2024

SECTION 1: COMPOSITION, ATTENDANCE AND TERMS OF REFERENCE

1.1 Members:

Member	Independent	Period
AD Cupido (Chairman)	Yes	August 2022 to date
T Eloff	Yes	August 2022 to date
TM Shabangu	Yes	August 2022 to date
GD Arnold	No	November 2022 to date

1.2 Attendance:

The attendance of the members of the ESG Committee at the meetings is set out on page 91 of this Integrated Report.

1.3 Mandate and terms of reference:

A formal mandate and terms of reference for the committee was adopted by the Board. The chairman, Mrs AD Cupido, will be present at the AGM and will be available to report to shareholders on the matters within the committee's mandate.

SECTION 2: FUNCTIONS AND RESPONSIBILITIES

The main functions of the committee are to:

- ensure that Astral's ESG commitments are aligned with best practice applied, including but not limited to economic, legal, ethical and discretionary responsibilities;
- set and review the reporting framework to measure the operating environment, Astral's corporate social performance and responsiveness and accountable governance as a responsible corporate citizenship; and
- support sustainability within a productive work environment in terms of Astral's proactive risk mitigation framework to ensure a better quality of life for all stakeholders.

SECTION 3: 2024 COMMITTEE ACTIVITIES

As global ESG sustainability objectives and metrics continue to evolve, international standards are increasingly formalised. In this context, our role as South Africa's largest integrated poultry producer hinges on fostering and maintaining positive relationships with all our stakeholders. Our key activities are animal feed pre-mixes, broiler genetics, sale of day-old chicks and the production and distribution of a variety of fresh, frozen and value-added poultry products. Our ESG business model is on pages 64 and 65 of this Integrated Report. ESG objectives are embedded in our daily operations and business activities. Astral's continuous improvement programme, '20 Keys', enables involvement, ownership and the improvement of Astral's business metrics and governance structures for employees, management and the Board, to ensure ESG matters are measured, reported and improved.

In support of a precautionary approach to environmental challenges, initiatives to promote further environmental responsibility are introduced through environmentally friendly technologies and processes implemented in terms of:

- **Climate change**
- **Water resource management**
- **Energy resource management**
- **Waste resource management**
- **Carbon emissions reductions**

ESG Committee Report (continued)

ESG journey

Astral's ESG journey, to date, can be summarised as follows:

- Operating procedures and measures include environmental, ethics and social metrics and are reported to the various Board committees.
- Astral took guidance from external ESG specialist service providers to conduct an independent audit of the Group's ESG disclosures. The audit confirmed Astral's narration of integrating ESG material matters in its daily operating environment, supported by its business culture of continuous improvement.
- Astral established an ESG Committee in 2022.
- The ESG Committee developed its terms of reference in cooperation with the Social and Ethics Committee, the Remco and the Audit and Risk Committee.
- An ESG 'Responsible/Accountable/Communicate/Input' matrix assigns tasks and responsibilities to avoid duplication across the Board's committees. Please see the Astral matrix on page 92 of this report.
- The ESG Committee's annually approved workplan facilitates the committee's activities for each financial year.

ESG business risks

The business' turn around results achieved for FY2024 were supported by a number of ESG activities, specifically it focused on renewable energy, water availability, drought risk mitigation in Zambia and HPAI outbreak risk mitigation in South Africa. In addition, a climate change risk assessment was performed and is included.

The material ESG risks and mitigating measurements are set out on pages 39 to 43, and 71 of this Integrated Report. The Group's Governance Report commences on page 88. The Human Resources, Remuneration and Nominations Committee Report commences on page 98, for our social involvement, refer to pages 83 to 87 and for our impact on the environment, refer to pages 69 to 78 of this Integrated Report. Astral has an ESG Sustainability Summary Report that can be viewed on Astral's website.

Environmental sustainability

Astral's environmental sustainability projects results are summarised below:

- **Water usage:** During 2024, Astral's water usage increased by 8.1 %, in line with increased poultry production, following the severe loadshedding in 2023, that negatively impacted production output last year. The percentage of water discharged back into municipal water systems reduced by 5.1 % from the prior year as a result of these water projects introduced. Astral managed to improve its ecologically recycled water programme by 19 % during 2024.
- **Food security:** Stringent controls and audits are in place at every processing operation to ensure food security and that production as well as product losses are minimised. Astral submitted its third Food Loss and Waste Report to the World Resource Institute (WRI) during FY2024. All processing operations are audited annually in terms of the relevant ISO standards, client audits and Government department audits.
- **Waste recycling:** Astral recorded a 13 % improvement on plastic material recycled during FY2024, with 768 tons of plastic recycled (2023: 678 tons). Furthermore, comprehensive community waste recycling projects were introduced in KZN and the Western Cape.
- **Carbon emissions for coal and electricity:** These emissions were reduced by 79 tons (coal) and 465 tons (electricity), mainly driven by less loadshedding during FY2024.

Total direct and indirect energy consumed: Decreased by 7.5 % to 3 124 292 GJ (2023: 3 378 604 GJ), despite less loadshedding compared to the prior year. Astral's renewable energy projects remain a key focus area for FY2025 in terms of capital costs, feasibility and environmental sustainability and the reduction in energy consumed is attributable to these projects.

Loading of Live Birds

ENVIRONMENTAL IMPACT

Astral acknowledges that its responsibility to the environment extends beyond legal and regulatory requirements. Although sustainability poses many challenges, Astral identified many opportunities proactively to ensure the Group's sustainability over the long term. Our sustainability approach enables us to address various stakeholder concerns, especially of potential supply chain disruptions as a result of climate change. Astral continues to work proactively with suppliers to source innovative products and services that are aligned with our "better cost strategy".

Astral's socio-economic projects support job creation and poverty alleviation within the local communities in which our businesses operate. Astral supports sustainable development initiatives and encourages community resilience. ESG material topics and standards are continuously refined to enhance positive environmental impact and conscious social upliftment.

Reducing consumption of fossil fuel energy remains a focus of Astral's sustainability journey and innovative renewal energy will play an integral role, transitioning to clean energy over the long term.

Astral is adversely impacted by climate change events globally, inter alia animal diseases, heat waves, droughts and floods that could disrupt raw material supply and increase operational costs. This was demonstrated by the severe effect the HPAI outbreak in 2023 had on the Group's results. Astral's ESG risk profile will continue to focus on mitigating these risks. Astral has performed a climate change risk analysis this year and the major climate change risks are detailed on page 71.

Environmental Performance Indicators

	Unit of measure	September 2024	September 2023
Energy consumption			
Material direct energy consumption (non-renewable fuels burned)	GJ	**2 133 914**	2 416 702
Material direct energy consumption per bird	GJ/bird	**0.0075**	0.0094
Total electricity self-generated from renewable sources (solar, wind, etc.)	%	**0.001**	0.017
Total direct and indirect energy consumed	GJ	**3 124 292**	3 378 604
Total direct energy spent as a percentage of operational expenses	%	**11.6%**	14.9 %
Total electricity spent as a percentage of operational expenses	%	**12.8%**	11.4 %
Total direct and indirect energy spent as a percentage of total operational expenses	%	**24.4%**	26.2 %
Material environmental aspects - Scope 1 direct emissions	tCO_2e	**178 019**	199 541
‣ Coal	tCO_2e	**139 185**	144 810
‣ LPG	tCO_2e	**17 774**	17 313
‣ Diesel	tCO_2e	**21 060**	37 419
Material environmental aspects – Scope 2 indirect emissions	tCO_2e	**294 363**	285 899
Electricity	tCO_2e	**294 363**	285 899
Material environmental aspects – direct and indirect emissions	tCO_2e	**472 382**	485 440
Material environmental aspects – energy efficiency/energy saved	GJ	**2 450**	49 899
Material environmental aspects – carbon emission reduction	tCO_2e	**544**	5 740
‣ Coal	tCO_2e	**79**	3 876
‣ LPG	tCO_2e	**0**	0
‣ Diesel	tCO_2e	**0**	0
‣ Electricity	tCO_2e	**465**	1 864

ESG Committee Report (continued)

	Unit of measure	September 2024	September 2023
Carbon Tax	Rand (000)	**0**	7 172
Scope 1 – direct carbon emissions per man hour worked	tCO_2e/man hour	**0.008**	0.008
Scope 2 – indirect carbon emissions per man hour worked	tCO_2e/man hour	**0.013**	0.011
Scope 1 and Scope 2 – direct and indirect carbon emissions per man hour worked	tCO_2e/man hour	**0.021**	0.019
Coal	GJ	**1 566 590**	1 629 897
Coal used per bird	GJ/bird	**0.0055**	0.0063
Coal saved due to conservation and efficiency improvements	GJ	**884**	43 628
LPG	GJ	**275 509**	268 347
Diesel	GJ	**291 815**	518 458
Electricity	GJ	**990 378**	961 902
Electricity used per bird	GJ/bird	**0.0035**	0.0037
Energy saved	GJ	**1 566**	6 271
Water consumption			
Water consumption	kl	**6 707 791**	6 204 507
Water consumption per bird	kl/bird	**0.0236**	0.0241
From boreholes	kl	**1 419 073**	654 488
From dams	kl	**212 366**	219 540
From municipal sources	kl	**5 076 352**	5 330 479
Water saved due to conservation and efficiency improvements	kl	**3**	87
Recycled water	kl	**620 096**	1 540 699
Recycled water as a percentage of total water	%	**9%**	25 %
Water treated to potable standards	kl	**211 305**	705 049
Potable water as a percentage of total water	%	**3%**	11 %
Waste			
Packaging material	Tons	**7 707**	10 507
Packaging material waste	Tons	**400**	1 283
Packaging waste diverted from disposal	Tons	**768**	678
Waste to landfill and incineration	Tons	**4 910**	9 071
Hazardous waste – landfill and incineration	Tons	**24**	49
Hazardous waste diverted from disposal	Tons	**0**	0
Water discharged	kl	**2 648 138**	2 789 080
Litter	m^3	**431 224**	371 892
Waste to rendering plant	Tons	**11 261**	16 757
Waste to rendering plant diverted from disposal	Tons	**7 178**	10 236
Hatchery waste	Tons	**45 984**	25 032
Hatchery waste diverted from disposal	Tons	**40 519**	3 165
Farm waste	Tons	**12 492**	25 887
Farm waste diverted from disposal	Tons	**12 408**	25 498
Number of significant spills	Number	**0**	0
Litter diverted from disposal	m^3	**429 618**	363 407
Waste diverted from disposal as a percentage of total waste	%	**97%**	90 %
Other			
Number of environmental non-compliance prosecution and fines*	Number	**1**	6

* *Penalties charged by Ekurhuleni Municipality to Festive for high volumes of suspended solids (SS) found in water samples. These penalties have significantly reduced from six (6) in 2023 to one (1) in 2024.*

- *Sustainability projects implemented are aligned with our vision and strategic goals.*
- *Operation action plans are aligned with strategic action plans and strategic goals are realised through participative management practices.*
- *Business units and various stakeholders work closely together to implement projects.*

Climate change risks

Climate change has an impact on the poultry industry, affecting everything from feed quality to farm management and animal performance. Rising temperatures, droughts, and floods are altering crop yields and nutritional content, leading to reduced feed quality and availability. This can have effects on poultry health and productivity. In light of this, we have identified three climate change-specific risks this year:

Business risk	Risk mitigation plans
HPAI outbreak impact on operations	
▸ Changes in temperature and precipitation patterns increase the risk of diseases. ▸ HPAI outbreak can adversely impact our ability to conduct our operations and supply of products.	▸ Additional biosecurity measures. ▸ Training and induction programmes. ▸ Production contingency plans in case of an outbreak. ▸ Vaccination programme – awaiting approval from Government departments. ▸ Insurance cover for breeders. ▸ Staff incentive programme. ▸ Importing of hatching eggs.
Prolonged higher raw material cost	
▸ Changes in temperature and precipitation patterns affect crop yields, nutritional content, and the risk of pests and diseases. ▸ High raw material prices and volatility. Although all producers would be exposed to similar prices, the main risk is the inability to recover this higher input cost.	▸ Explore cost effective raw material import opportunities and use of alternatives to address cost concerns. ▸ Astral Executive Procurement Committee frequently reviews the procurement strategy. ▸ Endeavour to recover the higher input cost through selling prices of poultry. ▸ Feed specifications versus cost being reviewed continuously. ▸ Diversification of feed sources – exploring alternative feed ingredients less reliant on climate-sensitive crops. ▸ Mycotoxin mitigation.
Water supply and quality	
▸ Changes in temperature and precipitation patterns. ▸ Quality and availability of water. ▸ Unscheduled water interruptions. ▸ Municipal infrastructure not maintained. ▸ Flash floods.	▸ Increase in water reservoir capacity and enhancement of distribution. ▸ Water savings initiatives. ▸ Groundwater sources. ▸ Purification and recycling of water. ▸ Evaluate alternative water sources, i.e. direct line from river. ▸ Improved Farm Management Practices – implementing energy-efficient systems, rainwater harvesting, and efficient irrigation. ▸ Contingency plans to address floods in crisis management plans.

ESG Committee Report (continued)

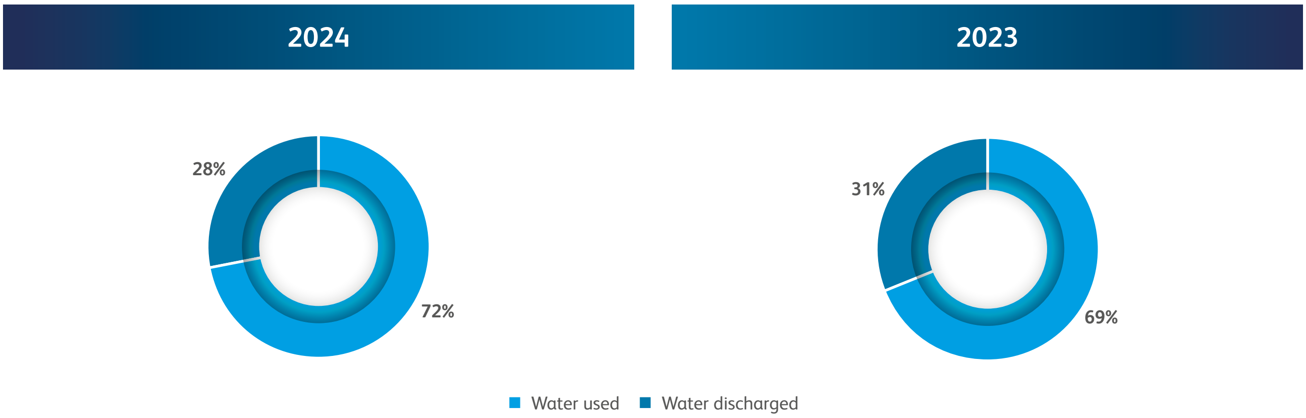
Water resource management

It is projected that the impact of climate change on the African continent will be enormous, resulting in dire implications with respect to food security, health, the availability of water, stability and economic development. Water-shedding is on the rise across South Africa as more areas are experiencing prolonged water outages, with Gauteng being the most affected. This will have significant consequences for economic growth and political stability, as water security is one of the largest risks South Africa will encounter.

Water resources

In 2024, Astral's water resources were managed as follows:.

Water management (Kl)	% change	September 2024	September 2023
Water used	8.1	**6 707 791**	6 204 507
Water discharged	(5.1)	**2 648 138**	2 789 080



We acknowledge South Africa is a naturally water-scarce country and water security is a risk to our communities and business operations. To mitigate this risk, we embarked on various water projects over the years, and in light of failing water infrastructure, especially in Gauteng, will continue to look at alternative water sources. During 2024, Astral's water usage increased by 8.1 %, in line with increased poultry production, following the severe loadshedding in 2023, that negatively impacted production output last year. The percentage of water discharged back into municipal water systems reduced by 5.1 % from the prior year as a result of these water projects introduced. Astral managed to improve its ecologically recycled water programme by 19 % during 2024.

The reverse osmosis plant commissioned at County Fair in 2017 and at Goldi in 2020 contributed significantly to the reduction of water discharged into the municipality water infrastructure. Both reverse osmosis projects are well received by various stakeholders as water security and business continuity in a poultry business go hand in hand. Simply put, "no water, no chicken" and with climate change affecting water access to many people, these water treatment plants promote our brands and are crucial to our sustainability. Since abattoirs are massive users of water, the recycling and treatment of water to potable standards contribute to a reduction of water drawn from source. Astral continue to drive the efficient use of water with less water drawn from source resulting in more water for local community use.

Energy resource management

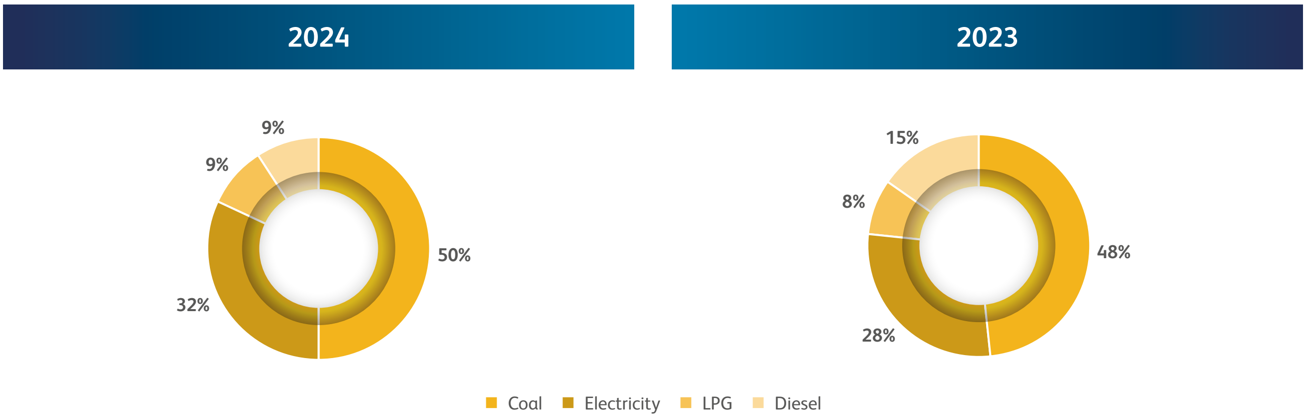
South Africa remains a high consumer of coal to generate energy and although efforts are made to increase renewable energy as an alternative energy source, no meaningful projects have been launched by Government therefore corporates are taking it upon themselves to invest in alternative energy generating resources like solar.

Astral's material energy usage in gigajoules are shown in the table below. Direct energy sources used by Astral are coal, electricity, liquid petroleum gas (LPG) and diesel. Coal is used to produce heat to keep the birds warm at the farms, as well as to generate steam at the abattoirs and feed mills. LPG is also used to produce heat to keep the birds warm at the farms, predominantly at County Fair in the Western Cape. Diesel is used as fuel for logistics, backup generators and other equipment. We acknowledge the high dependence on coal is a risk since 50 % of Astral's material energy is derived from coal.

Material energy usage

In 2024, Astral's material energy usage decreased by 7.5 %, predominantly due to a 43.7 % reduction in diesel usage as a result of much lower loadshedding than in 2023.

Energy source (GJ)	% change	September 2024	September 2023
Coal	(3.9)	**1 566 590**	1 629 897
Electricity	3.0	**990 378**	961 902
LPG	2.7	**275 509**	268 347
Diesel	(43.7)	**291 815**	518 458
Total	(7.5)	**3 124 292**	3 378 604



Over the years, the Group took strategic action to investigate various alternate energy solutions to reduce dependence on coal, largely to no avail, given that the operating costs of using alternate energy sources are much higher than the costs associated with using coal. However, good progress has been made investigating the use of Solar Photovoltaic Thermal (PVT) at Goldi. Any measure taken to reduce dependence of coal will be well received, since coal is known to the world as dirty energy and carries a reputational risk to business. Solar PVT offers a huge opportunity to reduce carbon emissions on electrical and thermal energy and is about 64 % more energy efficient than Solar Photovoltaic (PV).

Sourcing better quality coal resulted in a saving of 884 GJ of energy at Meadow Feeds Standerton.

Astral's indirect energy generation is electricity, procured from Eskom and local municipalities, both of which are a risk to business operations as a result of their high cost and unreliable supply of electricity. Another major risk to business sustainability is Eskom's 36.1 % price increase request for its 2025/2026 financial year. In addition, Eskom is becoming liable for Carbon Tax from 1 January 2026. The Carbon Tax impact will result in above inflation price increase requests from Eskom in the years ahead, as Eskom is highly dependent on coal to produce electricity.

In this financial year, through the use of solar energy generated from solar photovoltaic, Astral saved 1 566 GJ of electricity.

To align with science-based targets of reducing carbon emissions by 50 % by 2030 and to reach net zero carbon emissions by 2050, a holistic approach to reduce carbon emissions efficiently and effectively is required. In this regard, Astral is taking efficient measures to reduce its carbon footprint. In August 2024 approval was granted to install a Voltage Optimizer that will contribute to reducing carbon emissions and energy costs at the Festive Abattoir in Olifantsfontein. In September 2024 Astral's preferred service provider was requested to conduct an energy audit to compile a Voltage Optimizer proposal for Goldi in Standerton. Good progress is made working with an energy consultant to install alternate energy solutions that will contribute significantly to reduce carbon emissions and energy costs at business units. Several viable alternate energy solutions have been identified for various business operations and these projects are in the process of being finalised.

In the past few years we experienced supply chain challenges with LPG at County Fair in the Western Cape due to rough seas at the Saldanha Terminal as a result of climate change. In 2024 we took a decision to appoint three LPG suppliers instead of having one supplier to mitigate risk. The impact of this decision resulted in suppliers working proactively to maintain LPG supply to County Fair and maintain alignment with our "better cost strategy". As a result, a cost saving of R1.5 million per annum was negotiated.

ESG Committee Report (continued)

Waste resource management

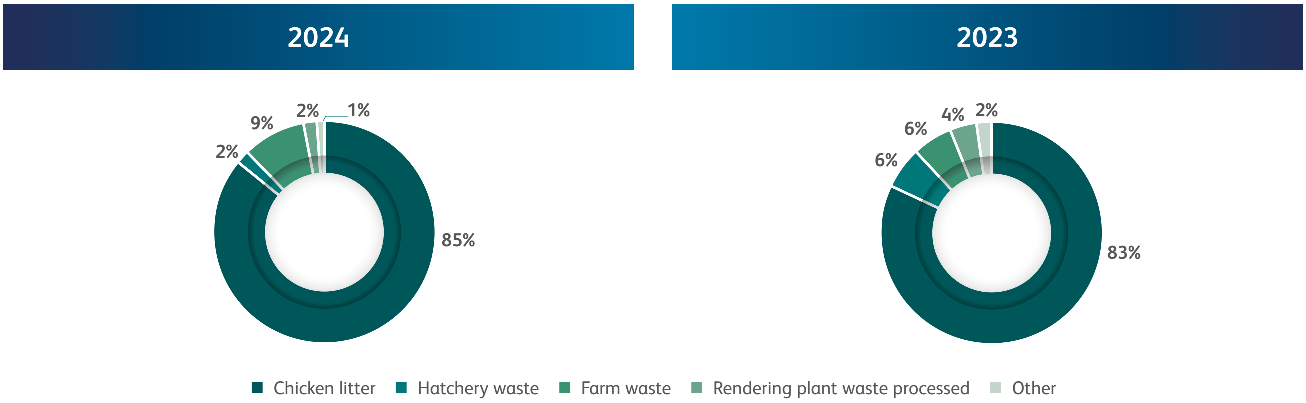
The disposal and treatment of waste can produce emissions of several GHGs, with methane gas being the most significant. Effective waste management is thus critical for the conservation of limited natural resources, making it central to ensuring a sustainable future.

Our "zero waste-to-landfill" strategy places significant focus on finding innovative waste solutions to realise this goal. This involves taking a holistic approach on the treatment of waste and partnering with innovative waste service providers. The Group acknowledges that it has a "cradle-to-grave" responsibility of managing waste, as irresponsible waste management can have a negative impact on stakeholders and business.

Waste sources

In 2024 Astral's total waste increased by 12.5 % as a result of a much lower HPAI impact to poultry production in South Africa than the prior year. Below is a breakdown of the 506 295 tons (2023: 449 971 tons) of waste generated in 2024:

Waste management (tons)	% change	September 2024	September 2023
1. Chicken litter	16.0	**431 224**	371 892
2. Hazardous waste	(51.0)	**24**	49
3. Waste processed via rendering plant	(32.8)	**11 261**	16 757
4. Hatchery waste	83.7	**45 984**	25 032
5. Packaging material waste	(68.8)	**400**	1 283
6. Farm waste	(51.7)	**12 492**	25 887
7. Waste to landfill	(45.9)	**4 910**	9 071
Total	12.5	**506 295**	449 971



In 2024 97% (2023: 90%) of Astral's total waste generated was diverted from disposal. Below is a breakdown of waste volumes diverted from disposal. In December 2023 three major waste projects were embarked upon, whereby hatchery waste was diverted from landfill sites to compost production.

No.	Description	% change	2024 Tons	2023 Tons	Comments
1.	Chicken litter	18.2	**429 618**	363 407	Sold to compost producers
2.	Waste processed via rendering plant	(29.9)	**7 178**	10 236	Waste processed to produce bio-based products, poultry oil, etc.
3.	Hatchery waste	1 180.2	**40 519**	3 165	Used in the manufacture of compost
4.	Farm waste	13.3	**12 408**	25 498	Donated to crocodile farms/compost manufacturers and also used by external rendering plants to produce pet food
5.	Packaging material waste	(51.3)	**768**	678	Waste is sold/taken away by waste sorters, who sell this waste to waste recyclers
	Total		**409 491**	402 984	

The 3% (2023: 10%) waste that was unable to be diverted from disposal was responsibly disposed.

Rendering plants

Aligned with Astral's "better cost strategy", the Group has rendering plants onsite at Goldi, Festive and County Fair to rework organic waste to produce bio-based products such as poultry oil, etc., that are then sold to various industries. The waste generated by Mountain Valley is sold to an external rendering plant, which uses the waste to produce pet food.

Our rendering plants meet regulatory compliance and make a significant contribution to waste reduction and food preservation since waste supplied directly to feed animals or to produce animal feed is not considered food waste according to the Food Loss and Waste Reporting and Accounting Global Standard.

Diverting waste from landfill sites

Since 2021 we are making good progress diverting waste from landfill sites. In 2023 we investigated various waste solutions and in 2024, we entered into agreements with service providers to divert waste from landfill sites to compost producers at huge cost savings. In 2024 the following waste solutions were implemented by business units:

1. Goldi Hatchery – Hatchery waste diverted from landfill sites to a compost producer.
2. Goldi Abattoir – Abattoir waste diverted from landfill sites to a compost producer.
3. Festive Hatchery – Hatchery waste diverted from landfill sites to a compost producer.

In accordance with our procurement supplier vetting procedure, the respective suppliers were vetted by RMG forensics and the compost sites are registered with the Department of Agriculture, Land Reform and Rural Development.

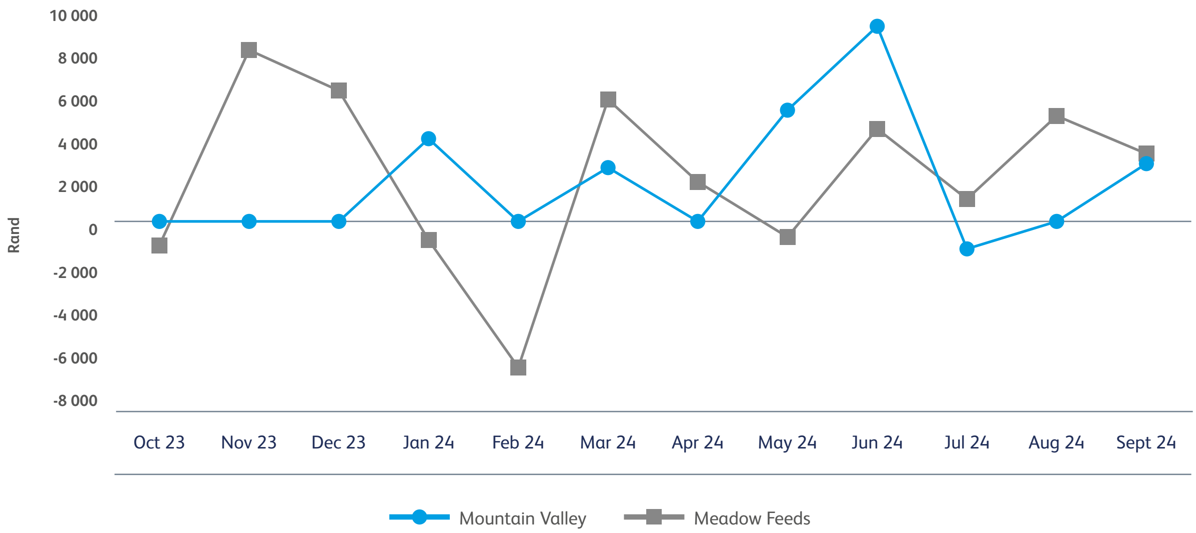

Tweefontein Breeders

ESG Committee Report (continued)

Waste recycling and community projects with waste learners

In 2024 the Group invested R22.5 million to continue and expand waste recycling initiatives in KwaZulu-Natal, Gauteng and Western Cape, confirming our commitment to zero waste to landfill and enterprise development. These projects augur well as it will provide employment for eighty learners in tough economic times. In September 2024, a graduation ceremony was held for the first batch of waste learners where twenty learners graduated receiving an environmental and entrepreneurial learnership certificate.

Waste recycling programme (net waste cost after recycling rebate)



In KwaZulu-Natal another 20 learners are in the process of being appointed from the community close to Meadow Feeds Pietermaritzburg and Mountain Valley. In addition, ten of the post-graduate learners were appointed to train the new waste learners and to investigate waste business opportunities in 2025.

Working with learners to sustain the environment and communities

Since the youth of today will be living with many challenges ahead, predominantly due to the impact of climate change, learners are encouraged to participate in projects that care for the environment and for communities:

1. In September 2024, during World Clean Up and Recycle week, the waste learners from Meadow Feeds Pietermaritzburg took sustainability to the streets and went to various businesses in close proximity to Meadow Feeds to encourage them to clean up the community. On 18 September 2024, with sponsors from Meadow Feeds Pietermaritzburg and the community, learners took to the streets to make their contribution of cleaning the Willowton Industrial Area.
2. On the same day the waste learners from Mountain Valley went to Cosmore Primary School to clean their garden and yard.

These projects were well received by the community, business and the Principal of Cosmore Primary School.

Extended producer responsibility for plastic packaging

The Extended Producer Responsibility (EPR) regulations came into effect on 5 May 2021. This new legislation makes EPR mandatory for all producers and importers of packaging. It changes how producers, brand owners, retailers and importers design, make, sell and keep their products in the recycling loop as far as is practicably possible. Any company or brand that makes or imports any form of plastic packaging for distribution is required to pay an EPR fee per ton.

In terms of meeting EPR compliance Astral Operations Ltd EPR registration was approved by DFFE in March 2022 and Astral Operations Ltd is a certified member of the Producer Responsibility Organisation (PRO), Polyco.

Food loss and waste management

The cost of food waste to the South African economy is estimated at R100 billion or 2% of GDP per year. In 2020, we joined the World Resources Institute (WRI) and the 10x20x30 Food Loss and Waste initiative via Pick n Pay. The vision of this initiative is to work towards achieving the UN SDG of reducing food loss and waste by 50% by 2030. Food waste equates to wasted water, wasted energy, increased methane emissions and impacts on biodiversity.

Astral has a zero tolerance for food loss and waste, and poor biosecurity control. Stringent controls are in place at every operation to ensure food loss and waste are kept to a minimum. Biosecurity control is critical in a poultry business as non-adherence to controls will lead to severe losses because the birds will contract poultry diseases. This, in turn, can impact food security, given that Astral is the largest chicken producer in South Africa. Broiler breeder genetics also play a critical role in controlling food loss and waste. Astral is fortunate in that the Ross 308 is the number one broiler breeder brand in the world, supplied by Aviagen, that has as its single goal to supply stock that delivers superior results.

Another major contributor in reducing food loss and waste is Astral's continuous improvement programme, 20 Keys. The goal of 20 Keys is to train employees to work inexpensively, better and faster and since employees are incentivised on performance, continuous improvements of reducing food loss and waste are continuously being made.

In August 2023 Astral timeously submitted its third Food Loss and Waste Report to the WRI.

Food waste that is processed and used in the production of pet food, for example, is no longer food waste but regarded as a *food surplus* according to the Food Loss and Waste Reporting and Accounting Global Standard. In 2024, with the target of reducing food loss and waste by 50 % by 2030 in mind, we placed major focus to seek opportunity to valorise waste to a higher level. We are currently investigating an opportunity of working with a supplier to further process hatchery waste to supply to an animal feed producer. Should this beneficiation of waste project prove successful, there is a further opportunity of earning an income in the form of a waste rebate on this project.

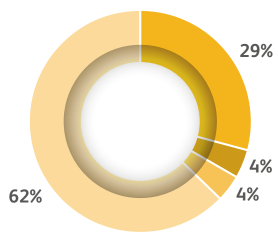
Carbon emissions

According to the IPCC Report 2022, we are warned that the world is set to reach the 1.5°C increase level within the next two decades. The report further states that only drastic reductions in carbon emissions from now on will help prevent an environmental disaster.

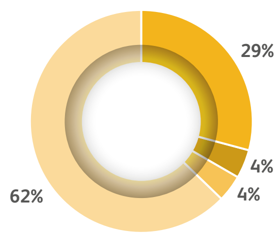
Based on an Environmental Impact Assessment conducted by Global Carbon Exchange in 2011, Astral's material carbon emissions are Scope 1 and 2 carbon emissions. Hence, strategic action at Astral is focused on material carbon aspects.

Carbon emissions (tons)	% change	September 2024	Emissions for 2024	September 2023	Emissions for 2023
Scope 1 emissions:					
Coal	(3.9)	**139 185**	**29%**	144 810	30 %
LPG	2.7	**17 774**	**4%**	17 313	3 %
Diesel	(43.7)	**21 060**	**5%**	37 419	8 %
Scope 2 emissions:					
Electricity	3.0	**294 363**	**62%**	285 899	59 %
Total	(2.7)	**472 382**	**100%**	485 441	100 %

Material carbon emissions (tons) 2024



Material carbon emissions (tons) 2023



Coal ■ LPG ■ Diesel ■ Electricity

ESG Committee Report (continued)

Carbon emissions emitted per man hour worked in 2024 are:

- Direct carbon emissions per man hour is at 0.008 tCO_2e/man hour worked (2023: 0.008 tCO_2e/man hour worked).
- Indirect carbon emissions per man hour is at 0.013 tCO_2e/man hour worked (2023: 0.011 tCO_2e/man hour worked).
- Total direct and indirect emissions per man hour is at 0.021 tCO_2e/man hour worked (2023: 0.019 tCO_2e/man hour worked).

Carbon emission reduction in 2024:

- Coal carbon emissions reduction of 79 tCO_2e is linked with the coal saving reported.
- Electricity carbon emissions reduction of 465 tCO_2e is linked with the electricity saving reported.

Carbon Tax governance

In March 2024 Astral's GHG emission report was timeously submitted to the Department of Environment, Forestry & Fisheries (DEFF) and in July 2024, timeous payment of Astral Operations Ltd Carbon Tax of R7.2 million (2022: R7.0 million) was made to SARS. The Carbon Tax payment was in respect of the 2023 year.

Section 12L energy efficiency application

Section 12L of the Income Tax Act provides an opportunity for South African businesses to apply for and benefit from a tax incentive for measured and verified energy efficient savings. The rate of the incentive is R0.95 per kWh tax deductible and the term of the allowance was extended from 2023 to 2026 by Government.

Due to a process change by the South African National Energy Development Institute (SANEDI) on Section 12L energy efficiency claims, we received notice from our service provider that they are unable to assist on 12L claims any longer. Subsequently, we appointed Deloitte & Touche to assist on Section 12L energy efficiency claims going forward.

Stakeholder sustainability

During challenging times, such as Covid-19, the HPAI outbreaks, etc., we have learnt that the bedrock of sustainable business is building sustainable relationships with all stakeholders that business goes far beyond rands and cents. Without stakeholder sustainability we will not be able to tackle the challenges of reaching our sustainability goals and the challenges posed by climate change. On the positive side, these difficult challenges are always accompanied by exciting new opportunities.

Our procurement vision of sourcing reputable, reliable and value adding suppliers have played a key role in sustaining business in difficult times. The stakeholders to have the most impact on our sustainability journey are suppliers, as they are expected to be the most affected by sustainability challenges, such as climate change. Hence, huge focus is placed on maintaining sustainable relationships with suppliers and plans are in place to work closer with suppliers on sustainability challenges.

Without committed employees there is zero chance of surviving any crisis and zero business sustainability in the challenging sustainability times we face. The commitment of the Astral workforce is demonstrated in the results delivered by the Group and continuous focus is placed on ensuring sustainable relationships with employees are maintained.

Servicing customers is always a key focus area, but customer sustainability demands are ever-increasing. Therefore, we are taking every measure to ensure sustainability compliance and keeping abreast of customer sustainability demands.

Social and Ethics Committee Report

Dear shareholder,

It is with pleasure that I share with you the Social and Ethics Committee Report for 2024. This committee was formed in accordance with Section 72 of the Companies Act. It serves the Group by focusing on social impact and economic development, governance, ethics, health, sustainability and employment practices.

South Africa faces significant socio-economic challenges such as high unemployment, poverty, social inequality, limited access to public services, and inadequate infrastructure, where the role of corporations like Astral is crucial. We adhere to the Six Capitals model, which include Financial, Manufactured, Human, Social and relationship, Natural, and Intellectual Capital. These principles form the cornerstone of Astral's governance, and we strive to uphold them in all economic endeavours.

The committee is confident that it has successfully carried out the responsibilities outlined in its mandate and terms of reference during FY2024. I would like to express my gratitude to the committee for their unwavering dedication and commitment to fulfilling the Board's mandate and thank the members for their invaluable contributions during this financial year.

TM Shabangu
Chairman

13 November 2024

SECTION 1: COMPOSITION, ATTENDANCE AND TERMS OF REFERENCE

1.1 Members:

Member	Independent	Period
TM Shabangu (Chairperson)	**Yes**	November 2020 to date
T Eloff	**Yes**	July 2017 to date
GD Arnold	**No**	October 2011 to date
LW Hansen	**Yes**	October 2011 to date

1.2 Attendance:

The attendance of the members of the Social and Ethics Committee at the meetings is set out on page 91 of this Integrated Report.

1.3 Mandate and terms of reference:

A formal mandate and terms of reference for the committee was adopted by the Board. The chairman, Mrs TM Shabangu, will be present at the AGM and will be available to report to shareholders on the matters within the committee's mandate.

Social and Ethics Committee Report (continued)

SECTION 2: FUNCTIONS AND RESPONSIBILITY

Monitoring of the Group's activities, having regard to any relevant legislation, other legal requirements and codes of best practice, including but not limited to:

- social and economic development;
- responsible corporate citizenship;
- the environment, health and public safety;
- consumer responsibility;
- employment practices;
- organisational ethics; and
- continuous workplace improvement .

In fulfilment of its functions and responsibilities, the committee will take the following actions:

- draw the Board's attention to matters within its mandate; and
- report annually to the shareholders at the AGM on matters within its mandate.

SECTION 3: ANNUAL WORK PLAN

During the year the committee concentrated on the work plan and its execution, including the Group's adherence to ethical and/or compliance in a number of areas:

- the UN Global Compact Principles;
- the UN SDGs;
- to conduct ethical climate surveys;
- to participate in the social and ethics trend survey of the Institute of Directors South Africa;
- community engagement and donations;
- consumer development (ensuring compliance with the Consumer Protection Act); and
- sustainability reporting.

The work plan for the short to medium term focuses on:

- **Human Rights**
  To support and respect the protection of internationally proclaimed human rights.

- **Employment practices**
  To uphold the freedom of association and the effective recognition of the right to collective bargaining, the elimination of all forms of forced and compulsory labour, the effective abolition of child labour and the elimination of discrimination in respect of employment and occupation.

- **Anti-corruption**
  To work against corruption in all its forms, including extortion, fraud, theft and bribery.

- **Social and ethical awareness**
  To conduct ethical climate surveys.

- **Community upliftment and donations**
  To develop guidelines for charities and sponsorships. The Astral Cares CSI programme continued with its excellent work during the 2024 financial year, with enormous contributions made to local communities and beneficiaries in dire need of support and upliftment. Please refer to the social involvement section of the report, pages 83 to 87.

- **Consumer development**
  To ensure compliance with the Consumer Protection Act.

- **Sustainability reporting**
  To investigate areas which do not fall within the scope of responsibilities of the Audit and Risk Management Committee nor the ESG Committee.

The committee also identified three areas in which the work of Astral must be evaluated ethically:
– the marketplace;
– the workplace; and
– the social environment.

CORPORATE RESPONSIBILITY

MARKETPLACE

- Corruption prevention
- Economic development
- B-BBEE

WORKPLACE

- Decent work
- Employment equity
- Employee safety and health
- Education and training of employees

SOCIAL ENVIRONMENT

- Consumer relations
- Community development
- Public health and safety
- Consumer protection
- Donations and sponsorships

Festive Olifantsfontein

Social and Ethics Committee Report (continued)

SECTION 4: 2024 COMMITTEE ACTIVITIES

4.1 Policy and procedure review:

The committee confirmed once again that written policies and/or procedures were in place for the following areas:

- support and respect for the protection of internationally proclaimed human rights;
- diseases control legislation;
- credit legislation;
- safety, health and environmental legislation; and
- human resources legislation.

4.2 Review of the Astral Code of Ethics:

The committee reviewed Astral's Code of Ethics and agreed that the Code was still relevant to the Group and would remain unchanged. The Code of Ethics formed part of every agenda of all formal meetings held by all business units, printed on cards and distributed to all employees and was posted on notice boards and on all websites' home pages.

The Code of Conduct and Ethics document and a personal ethics handbook is included in the Employee Induction Programme.

The committee reviewed corporate citizenship, taking note of various legislation and codes of best practice. This included Board composition, Board committees, identification of main business risks, the description of systems/initiatives to create value through research and development, strategic growth and innovation.

4.3 Social and Ethics Committee Trends Survey:

The committee participated in the Social and Ethics Committee Trends Survey of the Institute of Directors South Africa. The report received from the Institute of Directors South Africa was considered and the committee can confirm that its composition and activities compare favourably with other Social and Ethics Committees of companies in South Africa.

SECTION 5: SCOPE AND PLANNED 2025 ACTIVITIES

During the next financial year, the committee will continue to monitor and focus on the areas where legislation and codes of best practice are relevant to ensure that the Group improves and enhances its social and ethics responsibilities. These are:

- **Social and economic development** – as South Africa is currently facing a volatile local socio-economic environment, impacted by the previous loadshedding crisis, and driven by failed public infrastructure, unemployment and poor service delivery, companies like Astral play a pivotal role in addressing these challenges.
- **Responsible corporate citizenship** – to ensure that our Governance as well as Social and Ethics Policies are aligned with good practice.
- **Environment, health and safety** – to ensure that our largest asset, our workforce, including the communities which can be affected by our activities, has a safe working environment and that we look after the health of all employees.
- **Consumer responsibility** – to ensure that we comply with legislation like the Consumer Protection Act, Labelling Guidelines, in order to protect the consumer.
- **Employment practices** – with record levels of unemployment in South Africa, to be an employer of choice that supports diversity and transformation, whilst adhering to good Labour Law and Human Rights Policies.
- **Organisational ethics** – to ensure that the Group adheres to good corporate governance principles and that its Code of Ethics is world-class.
- **Continuous Workplace improvement** – to enhance productivity in the workplace through its '20 Keys Workplace Development Programme' and other learnership programmes.

SOCIAL INVOLVEMENT

1 NO POVERTY | 2 ZERO HUNGER | 3 GOOD HEALTH AND WELL-BEING | 4 QUALITY EDUCATION | 10 REDUCED INEQUALITIES

"Astral Cares"

South Africa is grappling with a turbulent socio-economic landscape marked by deteriorating public infrastructure, inadequate service delivery and unprecedented unemployment rates. As a result, vulnerable communities are experiencing a steady decline in their quality of life.

Astral continues to expand its social impact initiatives to support South Africans in need. As a result, numerous communities, thousands of households and key community support institutions are benefiting from Astral's efforts.

Astral Cares CSI spend for the year amounted to R5.3 million (2023: R4.8 million), an increase of 10.4%.

Astral continued to make a telling difference through its Astral Cares Programme:

- i Care for the hungry
- ii Care for those living with serious illness
- iii Care for our Astral family
- iv Care for our communities
- v Care for our producers
- vi Care for animals

i Care for the hungry

"Astral feeds communities in need."

The Astral Cares initiative continues to feed communities in need on a country-wide basis by assisting soup kitchens and feeding schemes. Astral Cares donates chicken products to more than 50 soup kitchens and community feeding schemes on a weekly basis, providing dozens of people with a daily nutritional meal. Astral Cares also donates chicken products to more than 25 care homes on a monthly basis.

Astral Cares joined hands on **Mandela Day** and donated County Fair, Festive, Goldi and Mountain Valley chicken used in the 67 000 litres of soup Mandela Day initiative. The soup was prepared by Chefs with Compassion and distributed to those in need.

Astral staff joined the Mandela Day celebrations by donating "**Specially for you, because we care**" packages to elderly people living in various old age homes across the country.

Social and Ethics Committee Report (continued)

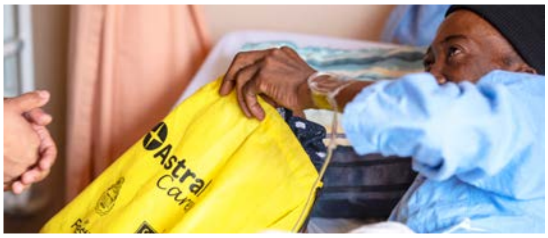
ii Care for those living with serious illness

“Supporting people living with cancer.”

Astral continued its sponsorship of **Cancer.vive**, assisting them with their outreach programme. Cancer.vive holds caring sessions at hospitals and clinics mentally and physically to support those fighting cancer. Astral chicken and soup donations provide a daily meal for hundreds of hospital out-patients.

The CHOC houses supported by Astral Cares provides 5kg bags of instant porridge to the families with children receiving cancer treatment and for children recovering from cancer at home.

Astral and Ronloth hosted a fund-raising golf day during March 2024. Thanks to Ronloth, Astral suppliers and other partners who played on the day, a substantial amount of money was raised for **CHOC** Childhood Cancer Foundation South Africa and **The St Laurence Haven**. These funds will go a long way in giving both organisations a better chance to assist children in need.



iii Care for our Astral family

“Supporting our own people.”

During the year Astral Cares invested substantially in expanding the employee assistance programme (EAP) value offering to employees and their families with a number of new initiatives introduced.

The Astral health and wellness programme continue successfully to mitigate employee health risks. More than 9 000 employees participated in our wellness programmes during FY2024. Our wellness support focuses around on-site and mobile medical clinics, an active employee wellness programme, winter wellness and vitamin support programmes, medical dispensation and personal and family counselling programmes.

iv Care for our communities

“Supporting our communities.”

Astral is proud to partner with the Seriti Institute, a leader in community development. Together we address critical challenges such as poverty, unemployment, and inequality through targeted initiatives that promote social cohesion and empower community ownership.

Today our collaboration has expanded to include collaborative partnerships built on the Seriti Institute’s methodology of tri-sectoral partnerships, which unites Government public employment programmes with Astral and Seriti, to infuse local economies with critical financial resources used for infrastructure development, training and skill-building that create a significant difference over time. During FY2024 more than 500 South African citizens benefit from valuable work experience and skills training in areas such as community surveys, sustainable farming, and environmental beautification.

Early childhood development: aRe Bapaleng Programme

One of the partnership's key achievements has been expanding early childhood development (ECD) through the aRe Bapaleng Programme. Since 2021, caregivers and parents are trained and equipped with tools and skills to support young children's development.

A sensory playground, where children learn trough play, and an ECD library were established during FY2024 as part of the *aRe Bapaleng* Programme at Goldi in Standerton. The library is equipped with books and essential educational materials to support literacy and cognitive development, further strengthening the educational foundation for the young.

Advancing agricultural sustainability and self-reliance

Our agricultural projects have bolstered communities' sustainability and self-reliance through the *Work.Learn.Grow* programme. Participants receive hands-on agro-ecology training, thereby promoting local food production and connecting small-scale producers to the local economy. A multi-functional agri-node at Goldi in Standerton ensures sustainable farming through the production of more than 50 000 seedlings per cycle.

Community engagement

As part of our commitment for community support, several meetings with community leaders and key stakeholders were held during FY2024. This collaborative approach strengthens our connection with local communities and the projects implemented to support the wellbeing of local residents.

Empowering unemployed women

During FY2024 a sewing project was launched to provide training and income-generation opportunities for local women in Standerton. This project equips participants with the skills to ensure a sustainable income. Our investment enabled the creation of various textile products and new product lines sold to market, benefiting the participants financially.

"We are so thrilled to have the sewing machines and the fabrics to start the sewing project in our community. This will help us in being active rather than sitting at home all day and get bored. We will learn to make outfits and generate income and teach the youth in our community so that they can continue with the project when we are very old. We are very thankful to Seriti and Goldi for their endless support and keeping their promise to uplift our community and children". – Zodwa Tsotetsi, community member.

Waste recycling

Astral Cares, in partnership with **Insignis** and **Umdeni**, launched community-focused waste recycling projects at Mountain Valley and **Meadow Feeds** in KwaZulu-Natal and **County Fair** in Cape Town.

These projects are designed to provide unemployed youth with the skills to create and manage waste recycling businesses in their communities. The collected waste is sorted, baled and packaged before being sold to commercial enterprises that buy plastic waste.

During this fiscal year, 40 unemployed youths have benefited from these programmes, which allow them to earn an income for their families while contributing significantly to waste recycling and clean-up in their communities.

PMB Clean Up video

Social and Ethics Committee Report (continued)

Community safety

In support of the **NSRI**, Astral sponsors the annual NSRI golf day. The players and other sponsors raised significant funds during the day. The NSRI does outstanding work in South Africa – not only in coastal areas, but also in inland areas at rivers, dams and lakes, saving lives every day. Astral Cares is privileged to assist the NSRI in making a difference every day.

v Care for producers

"Supporting farmers producing the food we eat."

Astral donated more than 64 tons of animal feed to farmers in Mpumalanga and the Northern Cape provinces, suffering damages from severe weather conditions associated with drought and fires.

Drought Relief Kenhardt

Astral Cares, in partnership with **Teffo Industries,** established a project to support emerging farmers in Hammanskraal, Gauteng. This initiative launched a distribution hub, provides training and mentoring for local entrepreneurs and community members in critical areas such as business start-up skills, entrepreneurship, marketing skills and the technical skills and benefits derived from quality animal feed formulations and nutrition.

Meadow Feeds Randfontein supports the distribution centre and as a result, more than 230 emerging farmers in the community are now realising increased efficiencies in animal production thanks to the value provided by **Meadow Feeds** products and expertise.

Astral Cares continued to support the valuable training of new and emerging farmers within the poultry and animal feed industries. A number of training programmes were sponsored during FY2024 at the KwaZulu-Natal Poultry Institute, the Buhle Farmers Academy and the Harry Gwala Agri NPC.

vi Care for animals

"Animal shelters, caretakers and rescue institution worked tirelessly during the year to safe animal livelihood – Astral salutes their dedication."

The **NSPCA**, the **World of Birds Wildlife Sanctuary** and **Monkey Park**, the **Wetnose Animal Rescue Centre**, the **Healing Farm Haven**, **CROW KZN** and the **Tom Ro Haven for Equines and Children** are just some of the animal-focused initiatives that Astral Cares continued to support during the year.

The **NSPCA** responds to all calls to rescue and saves animals – despite very limited resources. Astral appreciates the necessary work that they do and donated funds to help them with their cause. This donation enabled many animal shelters with feed and funds throughout the past year.

Preferential procurement

Astral has an active preferential procurement programme aimed discretionary procurement from local companies.

	Discretionary procurement spend (2023/2024)			
Procurement type	Total discretionary spend (R'000)	Preferential procurement spend (R'000)	**Percentage spend 2024**	Percentage spend 2023
Capital	213	64	**29%**	27 %
Consumables	10 646	775	**7%**	4 %
Services	5 739	1 080	**19%**	22 %
Total	16 598	1 919	**12%**	10 %

Social and Ethics Committee Report (continued)

GOVERNANCE STRUCTURE

Board

- Audit and Risk Management Committee
- Human Resources, Remuneration and Nominations Committee
- Social and Ethics Committee
- ESG Committee

Operational management

Executive management

CEO	Nutrition Executive
CFO	Sales Executive
Group COO	Marketing Executive
Managing Director: Poultry Commercial	Processing Executive
Managing Director: Poultry Agriculture	Purchasing and Sustainability Executive
Managing Director: Feed	Operations Improvement Executive
Director: Risk Management	Group Procurement Executive
Human Resources Executive	Business Development Manager

Corporate

- Group Company Secretary
- Group Credit Manager

CORPORATE GOVERNANCE

We strive to create superior levels of performance for the benefit of all our stakeholders by following a framework of good corporate governance.

Our corporate governance practices are sound, meeting all applicable rules and regulations, such as the King IV™ Report and the Listings Requirements. We are aware of the Public Investment Corporation's proxy voting policy and Code for Responsible Investing in South Africa 2011, and have implemented measures to comply with these requirements as far as possible.

The King IV™ Principles are the foundation of our corporate governance framework, and we remain committed to supporting the leading practices set out in the Code.

In addition to this, the ESG Committee highlights our commitment to supporting all aspects of ESG – not least because good governance is key in ensuring that we continue operating as a sustainable business.

The constitution and operation of the Board

The Board operates in terms of a formally approved Mandate and Terms of Reference that set out its role and responsibilities, the main elements of which are:

- the Chairman of the Board must be an Independent Non-Executive Director;
- a formal orientation programme for new directors must be followed;
- specific policies, in line with King IV™, must exist with regard to conflicts of interest and the maintenance of a register of directors' interests;
- the Board must conduct an annual self-evaluation;
- directors must have access to staff, records and outside professional advice where necessary;
- succession planning for executive management must be in place and must be updated regularly;
- strategic plans and an approvals framework must be in place and reviewed regularly;
- policies to ensure the integrity of internal controls and risk management must be in place; and
- social transformation, ethics, safety, health, human capital, and environmental management policies and practices must be monitored and reported on regularly.

We have a unitary Board structure, presently comprising 10 directors, including six Independent Non-Executive Directors at year end. The roles of Chairman and CEO are separate and distinct. The composition of the Board ensures a balance of power and authority and negates individual dominance in decision-making processes. It also reduces the possibility of conflicts of interest and promotes objectivity. The Board is satisfied that its composition reflects the appropriate mix of knowledge, skills, experience, diversity and independence.

We believe that the Non-Executive Directors are of suitable calibre and number for their views to carry significant weight in the Board's decisions. An Independent Non-Executive Chairman leads the Board. A schedule of beneficial interests of directors appears in Note 33 on page 197 of this Report. Astral's MoI specifies that Non-Executive Directors do not have a fixed term appointment.

Astral has three (30%) South African directors of previously disadvantaged backgrounds on the Board who are Independent Non-Executive Directors. The Board has set a target of 25% for race and gender representation in its membership.

Astral has a Board Broader Diversity Policy in place.

In November 2024, an evaluation of each of the Non-Executive Directors' performance was conducted by 21st Century. The overall findings were presented to the Board and discussed. This evaluation supported the Board's decision to endorse all retiring directors standing for re-election.

During the year, we assessed the independence of Dr Eloff and Mrs Shabangu, who have been directors for more than 10 years. After deliberation it was agreed that, considering the requirements for independence as contained in King IV™ and the Companies Act, they are still regarded by the Board as Independent Non-Executive Directors.

The Chairman's major roles include:

- chairing all general meetings and Board meetings;
- assisting with the determination of the agenda for all general meetings;
- ensuring that the Board receives accurate, timely and clear information;
- keeping track of the contribution of individual directors;
- ensuring that all directors are involved in discussions and decision-making; and
- taking a leading role in determining the composition and structure of the Board; and ensuring effective communication with shareholders and, where appropriate, the stakeholders.

The Lead Independent Director's responsibilities are in line with King IV™, namely:

- leading in the absence of the Chairman;
- serving as a sounding board for the Chairman;
- acting as intermediary between the Chairman and other members of the Board, if necessary;
- dealing with shareholders' concerns where contact through the normal channels has failed to resolve concerns, or where such contact is inappropriate;
- strengthening independence on the Board if the Chairman is not an Independent Non-Executive member of the Board;
- chairing discussions and decision-making by the Board on matters where the Chairman has a conflict of interest; and
- leading the performance appraisal of the Chairman.

No director is disqualified in terms of the criteria for independence as laid down by the Listings Requirements or by King IV™.

The retirement age for an Executive Director will be 65 years and for a Non-Executive Director 73 years. In the case of the Non-Executive Director who turned 73 and was appointed by shareholders, such a director will be required to serve the full term until the next AGM.

The Chairman presides over meetings of the Board, guiding the integrity and effectiveness of the Board's governance process. This includes ensuring that no individual dominates the discussion, that relevant discussion takes place, that the opinions of all directors relevant to the subject under discussion are solicited and freely expressed, and that Board discussions lead to appropriate decisions. The roles and functions of the Chairman have been formalised and there is a formally approved succession plan in place for the position of Chairman of the Board.

On a quarterly basis, Astral actively solicits from its directors their details regarding their external shareholdings and directorships, that potentially could create conflicts of interest while they serve as directors on the Board. The declarations received are closely scrutinised and are tabled at the beginning of each quarterly Board meeting. When applicable, directors are requested to table their interests in material contracts and, if necessary, are requested to recuse themselves from discussions in meetings.

Social and Ethics Committee Report (continued)

Operational management is the responsibility of the CEO. His responsibilities include, amongst others, developing and recommending to the Board a long-term strategy and vision that will generate satisfactory stakeholder value, developing and recommending to the Board annual business plans and budgets that support the long-term strategy, and managing the affairs of the Group in accordance with its values and objectives, as well as the general policies and specific decisions of the Board. There is a formal succession plan in place for the CEO and he has a normal employment contract that is applicable to all employees, including a notice period of two months by either party. The CEO is not a member of the Human Resources, Remuneration and Nominations Committee, nor the Audit and Risk Management Committee but attends by invitation. The CEO does not have any other professional commitments.

A complete list of Board members and their CVs appear on pages 14 to 17 of this Integrated Report. In terms of Astral's MoI, new Non-Executive Directors appointed during the year, as well as one-third of the existing Non-Executive Directors, have to retire on a rotational basis each year, but may offer themselves for re-election.

Directors are required to undergo an induction programme including site visits to familiarise themselves with all aspects of Astral's business. Briefing sessions take place when required to bring directors up to date with changes in laws and regulations pertaining to the Group.

The Board is accountable for the actions of management and has retained full and effective control of the organisation over the past year. The Board defines levels of materiality, reserving specific powers to itself, and delegates other matters to management. The Board is satisfied that the delegation of authority framework contributes to role clarity and effective exercise of authority.

The Board meets at least quarterly to review strategy, planning, operational performance risks, B-BBEE compliance, acquisitions, disposals, shareholder communications and other material aspects pertaining to the achievement of the Group's objectives.

The Board periodically reviews the mix of skills and experience available within the Board. Procedures for appointment to the Board are formal and transparent and are vested in the Board and include detailed screening of nominees to ensure that they meet the eligibility requirements as laid down in the Companies Act and the Listings Requirements.

The Board conducts assessments of each director annually, based on several factors including expertise, objectivity, judgement, understanding the Group's business, willingness to devote the time needed to prepare for and participate in committee deliberations. The performance evaluations were completed and reviewed by the Chairman and found to be generally satisfactory. The performance evaluation of the Chairman is reviewed by the Lead Independent Non-Executive Director. If required, the Chairman meets with individual Board members to discuss their performance. The following assessments were completed during the year:

- performance evaluation of the Audit and Risk Management Committee;
- performance evaluation of the Human Resources, Remuneration and Nominations Committee;
- performance evaluation of the Social and Ethics Committee;
- performance evaluation of the Board;
- performance evaluation of the Chairman;
- performance evaluation of the CEO; and
- performance evaluation of the Group Company Secretary.

The Board is satisfied that the evaluation process, facilitated by an external agency, adds value and is effective in improving the performance of the Board.

Strategic planning meetings take place at least every second year and progress on strategic objectives is reviewed at every Board meeting.

Directors have access to the advice of the Group Company Secretary and may seek independent and professional advice about affairs of the Group at the Company's expense.

The Board confirms that it is satisfied that it fulfilled its responsibilities in accordance with its Mandate and Terms of Reference for the year under review.

Attendance at meetings

The Board

Five Board meetings were held during the past year. Additional Board meetings may be convened when necessary.

Attendance at meetings was as follows:

	Scheduled Board meetings				
Director	2023 15 Nov	2024 1 Feb	2024 29 Feb	2024 15 May	2024 7 Aug
GD Arnold	✓	✓	✓	✓	✓
AD Cupido	✓	✓	✓	✓	✓
T Eloff	✓	✓	*	✓	✓
JAI Ferreira	✓	✓	✓	✓	✓
DJ Fouché	✓	✓	✓	✓	✓
S Mayet	✓	✓	✓	✓	✓
WF Potgieter	✓	✓	✓	✓	✓
CE Schutte	✓	✓	✓	✓	✓
TM Shabangu	✓	✓	✓	✓	✓
FG van Heerden	✓	✓	✓	✓	✓

✓ *Present*
* *Apology*

The Board is supported by the Audit and Risk Management, the Human Resources, the Remuneration and Nominations, the Social and Ethics as well as the ESG Committees to carry out its oversight role of ensuring that implementation of the Group's strategy is managed in a manner that is consistent with the values of the Group.

The Board believes that the Group has applied all relevant governance principles and is compliant with all significant Listings Requirements. The Group has not breached any regulatory requirements and has complied with all its statutory obligations.

Audit and Risk Management Committee

The committee met three times during the year. Attendance at the meetings was as follows:

Member	2023 12 Oct	2024 15 Nov	2024 15 May
DJ Fouché (Chairperson)	✓	✓	✓
TM Shabangu	✓	✓	✓
S Mayet	✓	✓	✓

✓ *Present*

Human Resources, Remuneration and Nominations Committee

The committee met five times during the year. Attendance at meetings was as follows:

Member	2023 26 Oct	2024 22 Feb	2024 1 Aug
WF Potgieter (Chairperson)	✓	✓	✓
T Eloff	✓	✓	✓
DJ Fouché	✓	✓	✓

✓ *Present*

Social and Ethics Committee

The committee met three times during the year. Attendance at meetings was as follows:

Member	2023 18 Oct	2024 1 Feb	2024 1 Aug
TM Shabangu (Chairperson)	✓	✓	✓
T Eloff	✓	✓	✓
GD Arnold	✓	✓	✓
LW Hansen (Independent)	✓	✓	✓

✓ *Present*

ESG Committee

The committee met three times during the year. Attendance at meetings was as follows:

Member	2023 18 Oct	2024 1 Feb	2024 1 Aug
AD Cupido (Chairperson)	✓	✓	✓
T Eloff	✓	✓	✓
TM Shabangu	✓	✓	✓
GD Arnold	✓	✓	✓

✓ *Present*

Non-Executive Directors' fees

The Non-Executive Directors' proposed fees for 2025 as well as the fees received during the 2024 financial year. The increase in Non-Executive Directors' fees of 5% will be proposed at the AGM to be held on 30 January 2025.

	2025 R'000	2024 R'000
Chairman of the Board	593	**565**
Member of the Board	413	**393**
Lead Independent Director	261	**249**
Chairman of the Audit and Risk Management Committee	335	**319**
Member of the Audit and Risk Management Committee	174	**166**
Chairman of the Human Resources, Remuneration and Nominations Committee	223	**212**
Member of the Human Resources, Remuneration and Nominations Committee	126	**120**
Chairman of the Social and Ethics Committee	197	**188**
Member of the Social and Ethics Committee	118	**112**
Chairman of the ESG Committee	197	**188**
Member of the ESG Committee	118	**112**

The fees are payable on a monthly basis.

Board committees

To enable the Board to properly discharge its responsibilities and duties, certain responsibilities have been delegated to Board committees. All Board committees are chaired by an Independent Non-Executive Director. Particulars of the composition of the Board and committees appear on pages 93 to 95 of this Integrated Report. Board committee Mandates and Terms of Reference are reviewed on an annual basis to ensure that the committees' duties and responsibilities are aligned with the requirements of corporate governance and keep abreast of developments in this field. Copies of Board committee Mandates and Terms of Reference are available on Astral's website, www.astralfoods.com.

Social and Ethics Committee Report (continued)

Board and sub-committee RACI Matrix

JSE Sustainable Disclosure Guidance Area		Audit and Risk Committee	ESG Committee	Remcom and Nominations Committee	Social and Ethics Committee	Board
1	Board composition	Communicate	Communicate	Responsible	Communicate	Accountable
2	Remuneration	Communicate	–	Responsible	–	Accountable
3	Ethical behaviour	Input	Communicate	Communicate	Responsible	Accountable
4	Compliance and risk management	Responsible	Input	Communicate	Input	Accountable
5	Tax transparency	Responsible	Input	Communicate	Communicate	Accountable
6	Labour compliance	Input	Communicate	Responsible	Input	Accountable
7	Community development	Communicate	Input	Communicate	Responsible	Accountable
8	Health and safety	Responsible	Input	Input	Input	Accountable
9	Customer responsibility	Input	Input	–	Responsible	Accountable
10	Supply chain	Input	Input	–	Responsible	Accountable
11	Climate change	Input	Responsible	Communicate	Input	Accountable
12	Water security	Input	Responsible	–	Communicate	Accountable
13	Biodiversity and land use	Communicate	Responsible	–	Input	Accountable
14	Pollution and waste	Input	Responsible	–	Input	Accountable

RACI		
R	Responsible	The people who take action to get the task done. They are responsible for the work or making the decision. You can have more than one person responsible for a task, but to make the decision-making process effective, try having one person responsible for a single task.
A	Accountable	The person who owns the task or deliverable. They might not get the work done themselves, but they are responsible for making sure it is finalised. To avoid confusion and the diffusion of responsibility, it's better to have one accountable person per project task.
C	Communicate	The people, roles, or groups that need to be up to date on the task's progress. They will not have two-way communication, but it's essential to keep them informed since they will be affected by the final outcome of the task/project.
I	Input	The person, role, or group who will help complete the task. They will have two-way communication with the people responsible for the task by providing input and feedback over the task completion.

As the Audit and Risk Management Committee has become a statutory committee in terms of the Companies Act, shareholders are required to elect the members of this committee at the next AGM.

Shareholders will also be required to elect the members of the Social and Ethics Committee for the forthcoming financial year at the next AGM.

The Board committees are as follows:

Audit and Risk Management Committee

The Audit and Risk Management Committee comprises three members, all of whom are Independent Non-Executive Directors, and meets at least three times a year with management, internal and external auditors as well as the Group's risk managers. The Chairman of the Board is also invited to attend.

The opportunity is created at each meeting for discussion with the external and internal auditors without the presence of management. The members of the committee are knowledgeable about the affairs of the Group and have extensive expertise in finance, accounting, legal and risk management practices.

The Audit and Risk Management Committee fulfils the responsibilities as set out in the Audit and Risk Management Committee Mandate and Terms of Reference, that include:

- overseeing the internal and external audit functions;
- assisting the Board in the discharge of its duties relating to the safeguarding of assets and operation of adequate systems and internal controls;
- ensuring the preparation of accurate financial reporting in compliance with all applicable legal requirements, corporate governance and accounting standards;
- providing support to the Board on evaluating the risk profile and risk management of the Group; and
- providing support to the Board on IT governance and risks.

A copy of the Mandate and Terms of Reference of the committee is available on Astral's website, www.astralfoods.com.

Both the Director: Risk Management and the external auditor have unfettered access to the CEO, the Chairman of the Board and the Audit and Risk Management Committee.

The committee reviews and confirms the following additional responsibilities required by King IV™ and the Listings Requirements:

- the independence of the external audit function;
- the competence of the CFO and the finance function of the Group; and
- the Integrated Report.

Divisional Audit and Risk Management Committee meetings are scheduled twice a year at every business unit. These meetings are chaired by the CFO, attended by the CEO, Group COO, internal audit, external audit, the Managing Director and Divisional Finance Executive, and the business unit COO and Finance Executive.

Risk Management

Astral is committed to the following risk management action plan:

- identifying the risks to which the Group is exposed;
- identifying the most effective ways of eliminating or mitigating risk exposures as far as is reasonably practical;
- insuring against catastrophic incidents and other losses beyond our self-insurance capacity; and
- minimising in the long term, the total cost of risk.

Astral applies an enterprise-wide risk management approach, involving all levels of management, with assistance from outside consultants for assessing insurable risks.

The senior management at each operation is responsible for the development and implementation of a sound risk control programme based on the Group's risk control standards. The integrity of the risk control programme is regularly independently monitored by appointed risk analysts.

Members of the Audit and Risk Management Committee are:

Member	Independent	Period
DJ Fouché (Chairman)	Yes	November 2015 to date
TM Shabangu	Yes	November 2014 to date
S Mayet	Yes	August 2019 to date

Internal audit

Astral has an independent, objective and effective Internal Audit Department governed by a charter approved by the Board. The internal audit function reports to the CEO and has unfettered

Social and Ethics Committee Report (continued)

access to the Chairman of the Board and the Chairman of the Audit and Risk Management Committee.

The role of internal audit is to review compliance with internal controls, systems and procedures. The Board is satisfied that the internal controls are adequate to safeguard the assets, prevent and detect errors and fraud, ensure the accuracy and completeness of accounting records and the preparation of reliable financial statements.

The Internal Audit Department is staffed by qualified and experienced internal auditors. The annual internal audit programme is approved by the committee and all significant findings, together with steps taken to rectify lapses in internal control, are reported at every committee meeting.

The independence of the internal audit function is reviewed regularly by the Audit and Risk Management Committee to satisfy itself of the independence of the internal audit function. The appointment and removal of the head of internal audit is a matter for the Audit and Risk Management Committee in consultation with management.

Information Technology (IT)

The Board has delegated responsibility for IT to the Audit and Risk Management Committee but retains overall accountability.

An IT Charter, aligned to King IV™, has been implemented. The IT strategy is reviewed by the Audit and Risk Management Committee and by the Board. The IT Charter can be viewed on Astral's website, www.astralfoods.com.

Management has the responsibility for the management of IT and the governance framework which includes:

- IT Steering Committee to monitor and manage IT governance;
- IT policies and procedures to regulate the management of all IT functions;
- relevant standards and processes that are subject to audits, reviews and benchmarks; and
- policies and procedures to govern the active directory and exchange which has been outsourced.

All IT acquisitions fall within the same capital approval processes as other capital expenditure projects and would thus, based on value, be submitted to the Board for approval.

A formalised disaster recovery programme is in place to ensure the minimum disruption in the event of disaster.

Integrated reporting

The committee oversees integrated reporting, and in particular:

- takes cognisance of all factors and risks that may impact the integrity of the Integrated Report including matters that may predispose management to present a misleading picture, significant judgements and reporting decisions made, monitoring or enforcement actions by a regulatory body and evidence that brings into question previously published information, forward-looking statements or information;
- reviews for reliability and disclosure of sustainability in the Integrated Report;
- recommends to the Board whether or not to engage an external assurance provider on material sustainability issues;
- recommends the Integrated Report for approval by the Board; and
- considers whether the external auditor should perform assurance procedures on interim results or be engaged for any non-audit assignments.

The committee recommended to the Board to continue not to publish a summarised Integrated Report or engage an external assurance provider to confirm material elements of the sustainability part of the Integrated Report. This decision was based on the fact that sustainability reporting formed part of the budget process and is reported on by business units and approved by the Executive Directors. This approach will be reviewed every year. Astral has appointed a full-time Sustainability Manager who is responsible for sustainability within the Group.

Further information regarding the activities of the committee is available in the Audit and Risk Management Committee Report on pages 141 to 144 of this Integrated Report.

Human Resources, Remuneration and Nominations Committee

The primary duty of the committee in terms of the nomination process is to ensure that the procedures for appointments to the Board are formal and transparent, by making recommendations to the Board on all new Board appointments and reviewing succession planning for directors. The committee also has to evaluate all candidates for the position of director on the basis of skill and experience. Thorough background checks are conducted.

WF Potgieter chairs all sections of meetings of the committee dealing with Human Resources and Remuneration. However, sections dealing with matters related to Nominations are chaired by T Eloff, the Chairman of the Board. The committee's Mandate and Terms of Reference is available on Astral's website, www.astralfoods.com.

Members of the Human Resources, Remuneration and Nominations Committee are:

Member	Independent	Period
WF Potgieter (Chairman for Human Resources and Remuneration section)	Yes	November 2020 to date
T Eloff (Chairman for Nominations section)	Yes	June 2014 to date
DJ Fouché	Yes	June 2016 to date

The committee is constituted as a Board committee and assists the Board in discharging its responsibilities for the development of the Group's general policy on executive and senior management remuneration and to determine specific remuneration packages for Executive Directors of the Group, including but not limited to basic salary, benefits in kind, bonuses, performance-based incentives, retention incentives, share incentives, pensions and other benefits. The committee determines criteria necessary to measure the performance of Executive Directors in discharging their functions and responsibilities.

Further information regarding the activities of the committee is available in the Human Resources, Remuneration and Nominations Committee Report on pages 105 to 107 of this Integrated Report.

Social and Ethics Committee

The Social and Ethics Committee consists of four members. A formal mandate and terms of reference has been approved by the Board. The Chairperson of the committee is present at the AGM and will be available to report to shareholders on the matters within its mandate. A copy of the committee's mandate and terms of reference is available on our website, www.astralfoods.com.

Members of the Social and Ethics Committee are:

Member	Independent	Period
TM Shabangu	Yes	November 2020 to date
GD Arnold	No	October 2011 to date
T Eloff	Yes	July 2017 to date
LW Hansen	Yes	October 2011 to date

The main functions of the committee are:

Monitor the Group's activities, having regard to any relevant legislation, other legal requirements and codes of best practice, including but not limited to:

- social and economic development;
- responsible corporate citizenship;
- environment, health and public safety;
- consumer relationships;
- labour and employment;
- organisational ethics;
- workplace productivity;
- drawing matters within its mandate to the attention of the Board; and
- reporting annually to the shareholders at the Company's AGM on matters within its mandate.

The committee's approved work plan for the short to medium term will focus on:

- **Human Rights**
  To support and respect for the protection of internationally proclaimed human rights.
- **Labour**
  To uphold the freedom of association and the effective recognition of the right to collective bargaining, the elimination of all forms of forced and compulsory labour, the effective abolition of child labour and the elimination of discrimination in respect of employment and occupation.
- **Anti-corruption**
  To work against corruption in all its forms, including extortion and bribery.
- **Social and ethical awareness**
  To conduct ethical climate surveys.
- **Consumer development**
  To ensure compliance with the Consumer Protection Act.

For more information regarding the activities of the committee, refer to the Social and Ethics Report on pages 79 to 82 of this Integrated Report.

ESG Committee

The purpose of this committee is to support the Company's on-going commitment to sustainability, with specific emphasis on environmental stewardship, corporate governance and accountable social engagement.

Members of the ESG Committee are:

Member	Independent	Period
AD Cupido (Chairman)	Yes	August 2022
T Eloff	Yes	August 2022
TM Shabangu	Yes	August 2022
GD Arnold	No	November 2022

The main functions of the committee are to:

- ensure that Astral's ESG commitments are supplemented in terms of ESG best practice applied, including but not limited to economic, legal, ethical and discretionary responsibilities;
- determine reporting criteria to measure the internal and external operating environment, corporate social performance and responsiveness and accountable corporate citizenship of the Group; and
- support sustainability within a productive work environment, a proactive risk mitigation framework and a better quality of life for all Astral stakeholders.

Social and Ethics Committee Report (continued)

Organisational integrity and ethics

Astral maintains a Code of Ethics, which requires all employees, managers and directors to comply with the letter and spirit of the Code of Ethics by observing the highest ethical standards and ensuring that all business practices are conducted ethically.

A policy provides guidelines as to what constitutes fraud, theft, corruption, or associated internal irregularities, to outline our response to these and to detail the procedures to be followed in order to report such incidents that are suspected or discovered.

Astral has a "zero tolerance" approach towards fraud and corruption and protects employees who raise concerns relating to fraud and corruption from victimisation.

Astral continues to use the services of Deloitte & Touche to provide an independent "Tip-offs anonymous" hotline. All incidents reported are investigated and appropriate action taken in terms of the relevant policies and disciplinary procedures.

Copies of Astral's Ethics Policy are displayed on all notice boards, laminated abridged copies are handed to every employee and the COO of each business unit is tasked to act as champion for his/her business unit to ensure that the Ethics Policy is understood and adhered to by all employees. The Ethics Policy forms a permanent part of every management agenda and external suppliers are required to adhere to the Ethics Policy. Any non-adherence is reported to business unit management and in turn reported to the CEO and Group COO and ultimately to the Board.

The Code of Ethics deals with:
- complying with all laws, regulations and codes;
- culture, ethics and values;
- dealing openly and honestly with customers, suppliers and other stakeholders;
- respecting and protecting privacy and confidentiality;
- respecting human rights and dignity of employees;
- social responsibility;
- guidelines in respect of receiving and giving gifts and entertainment;
- prohibiting the acceptance of bribes, directly or indirectly;
- prohibiting the payment or offering of bribes;
- integrity of financial information;
- protection of confidential information;
- protection and use of Group property;
- conflict of interest; and
- action on contravention of the Code of Ethics.

In terms of accountability, all employees are required to:
- commit to individual conduct in accordance with the Code of Ethics;
- observe both the spirit and the letter of the law in their dealings on the Group's behalf;
- recognise the Group's responsibility to its shareholders, customers, employees, suppliers and to society;
- conduct themselves as responsible members of society, giving due regard to health, safety and environmental concerns, and human rights, in the operation of the Group's business; and
- report any suspected breach of the law or the Code of Ethics to the Internal Audit Department or the Board who will protect those who report violations in good faith.

The Board accepts overall responsibility for the adherence to the Code of Ethics and has no reason to believe that there has been any material non-adherence to the Code of Ethics during the year under review. The Code of Ethics is reviewed on a regular basis by the Social and Ethics Committee.

A copy of the Code of Ethics is available on our website, www.astralfoods.com.

Restrictions on share dealings

Directors and employees are prohibited from dealing in Astral shares during price sensitive periods. Closed periods extend from 31 March and 30 September, being the commencement of the interim and year-end reporting dates, up to the date of announcement of interim and year-end results and include any other period during which the Company is trading under a cautionary announcement. All directors are required to obtain written permission from the Chairman before dealing in any Astral shares in order to protect them against possible and unintentional contravention of the insider trading laws and JSE regulations.

We have implemented an Information Policy that deals with prohibited periods for dealing in Astral shares, the determination of price sensitive information, periodic financial disclosure and affected directors' dealings in Astral shares. The Information Policy is available on Astral's website, www.astralfoods.com.

Participants in Astral's share incentive schemes are subject to the rules of the schemes and the provisions of the Listings Requirements.

Management reporting

Astral has comprehensive management reporting disciplines, which include the preparation of strategic plans and annual budgets by all operations. Group strategic plans and budgets are considered and approved by the Board. Results and the financial status of the operations are reported monthly and compared with approved budgets and results of the previous year. Working capital requirements and borrowing levels are monitored on an on-going basis and corrective or remedial action taken as appropriate.

Group Company Secretary

The Group Company Secretary is suitably qualified and experienced and plays an important role in ensuring that the Board procedures are followed correctly and are regularly reviewed. The Group Company Secretary is responsible for the duties set out in Section 88 of the Companies Act and is appropriately empowered by the Board to fulfil these duties.

The Board assesses the qualification, competence and expertise of the Group Company Secretary and confirms her suitability in terms of the Listings Requirements on an annual basis. For further information on the Group Company Secretary, please refer to Corporate Services on page 51.

The Group Company Secretary is not a director of any of the Group's operations and accordingly maintains an arm's length relationship with the Board and its directors. In order to confirm the Group Company Secretary's arm's length relationship with the Board, the following factors are taken into consideration:

- the Group Company Secretary is independent from management;
- the Board empowers the Group Company Secretary to act as gatekeeper of good corporate governance;
- there are no special ties between the Group Company Secretary and any of the directors;
- the Group Company Secretary is not party to any major contractual relationship which may affect his/her independence; and
- there are no matters affecting the Group Company Secretary's ability to adequately and effectively perform his/her company secretarial duties.

The annual assessment concluded that the Group Company Secretary, when engaging with the Board, acted professionally, independently from the Board and interacted on an equal footing with the Board. The relationship between the Group Company Secretary and the Board was without influence or undue pressure.

Political party contributions

Astral does not make any contributions to political parties.

Whistleblowing measures

In accordance with the provisions of the Protected Disclosures Act No. 26 of 2000, management has ensured that no employee who has made a protected disclosure shall be subject to any occupational detriment and shall be afforded anonymity without fear of consequential victimisation. Refer to the "Tip-Offs Anonymous" section on page 102 of the Integrated Report.

Access to professional corporate governance services

The Board believes that access to professional corporate governance services are available and is effective.

Corporate Governance Framework

The Board operates according to an approved corporate governance framework that provides for prudent management and oversight of the business and adequately protects the interests of all shareholders.

The members of the Executive Management and the heads of support functions are responsible for adherence to and implementation of the framework in their business and operational areas.

The following documents are available on www.astralfoods.com:

- Corporate Governance Framework;
- Overview of King IV™ Principles;
- Board Broader Diversity Policy;
- Information Policy;
- Abridged Code of Ethics; and
- Board committee Mandates and Terms of Reference.

Human Resources, Remuneration and Nominations Committee Report

Dear shareholder,

On behalf of the Human Resources, Remuneration and Nominations Committee ("Remco") and the Board, I take pleasure in presenting the 2024 committee report. The Remco and the Board remains committed to fair, transparent and responsible remuneration and seek to continuously review and improve remuneration policies that are aligned with Astral's strategic agenda.

We were pleased with the encouraging support received from our shareholders at the previous AGM, with an 85% approval vote for the Remuneration Policy and a 78% approval vote for the Implementation Report. The Remco is grateful for the transparent engagement and support from shareholders and management alike.

The Board remains committed to sound corporate governance of remuneration policies and the implementation thereof to ensure they remain fair, market competitive and fit for purpose. The Board acknowledges that Astral will continue to operate in a very challenging environment with low economic growth, high commodity prices, increasing input costs and challenging trading margins. The consumer and our employees are faced with immense financial pressure and subdued spending capability.

Furthermore, the accelerated critical skill shortage in South Africa represents the foremost risk to Astral sustainability. Failing to attract, develop and retain skills to manage the magnitude of daily operational risks in a specialised business will have dire consequences for shareholders and stakeholders. The Remco remains committed to mitigating these risks as a key focus. Appropriate remuneration is a critical component of this and we continue to implement fair, relevant and market competitive reward strategies to optimise shareholder returns. Shareholders are ardently advised that the prominence of Astral's human resources and remuneration policies to retain critical skills cannot be emphasised enough and require responsible consideration.

In this report, the Remco advises on the strategic Human Resources Policy Framework that aligns adequate skills with financial and non-financial performance thresholds and appropriate reward. The Remco is satisfied that the Remuneration Policy and its implementation has achieved its objectives. The comprehensive corporate governance remuneration framework introduced supported creation of shareholder value during FY2024. The Remco will continue to review, analyse and benchmark its policies against market and peer competitors. The Remco received guidance during the year from external advisors regarding remuneration of Executive Directors, Prescribed Officers, and Non-Executive Directors' fees.

The Remco remains committed to its values of transparency, integrity, accountability, sustainability, and governance. National market surveys confirm Astral is paying fair and equitable remuneration at all employment levels, including for entry-level skill employees. Skills development, promoting trained and dedicated employees from within and diversifying employment opportunities across the Group further addressed pay inequalities.

I would like to thank the members of the Remco for their hard work, commitment and contributions to achieve our objectives for the year. My sincere appreciation also to Astral's Board, executives, management and employees who worked tirelessly during unprecedented times to sustain shareholder investments. The Astral team has gone above and beyond their call of duty and the Remco applauds their hard work, dedication and commitment.

Willie Potgieter
Chairman

13 November 2024

SECTION 1: HUMAN RESOURCES

Introduction

Astral's long-term sustainability rests on its ability to attract, develop and retain internationally competitive employees to implement Board strategy. Astral's organisational culture is driven by human capital, operational excellence and continuous improvement. Employees are equipped through skills training and professional development to bolster the Astral culture and performance.

Financial and non-financial performance standards are linked to transparent and fit for purpose remuneration and reward structures that sustain shareholder value. Our human resources value offering across the employee life cycle enables staff to achieve a good quality of living for themselves, their families and their communities.

Human Capital overview

Risks associated with current socio-economic and political uncertainty, record levels of unemployment, critical skills shortages and production disruptions caused by public infrastructure failures and other service delivery discontent had a significant impact on Astral's business. These were successfully managed through Human Resources Risk Mitigation and Stakeholder Engagement Framework.

Table 1: Summary of Human Capital activities for 2023 and 2024

		2024	2023
1.	**Employment opportunities**		
	Percentage of job opportunities sustained	**100**	100
	Percentage of job opportunities declared redundant	**Nil**	1
	Number of new job opportunities created	**12**	2
2.	**Employees trained***		
	Number of employees receiving technical skills training	**787**	425
	Number of employees receiving safety and health training	**1 360**	984
	Number of employees receiving managerial training	**108**	48
	Number of employees receiving leadership and organisational culture training	**93**	20
	Number of employees receiving anti-corruption training	**1 407**	152
3.	**Community training (social impact training)**		
	Number of unemployed youths trained	**72**	84
	Number of unemployed people with disabilities trained	**18**	38
	Number of unemployed people who received training (other than the above)**	**31**	198
4.	**Employment categories*****		
	Permanent employees in employment	**9 238**	9 226
	Part-time employees in employment	**3 055**	3 085
	Total	**12 293**	12 311
5.	**Employee relations and organised labour**		
	Permanent employees belonging to a trade union	**3 418**	3 377
	Part time employees belonging to a trade union	**402**	312
	Number of production hours lost due to protected strike action	**Nil**	Nil
	Number of production hours lost due to unprotected strike action	**Nil**	Nil
	Number of trade unions within different operational bargaining entities	**17**	14
	Production hours lost as a percentage of total hours worked	**Nil**	0.0002
6.	**Gender equality and disabilities**		
	Percentage of female employees in employment	**49**	49
	Percentage of male employees in employment	**51**	51
	Percentage disabled employees in employment	**2**	2

Human Resources, Remuneration and Nominations Committee Report (continued)

		2024	2023
7.	**Transformation and socio demographics**		
	Percentage of Board members defined as black	**30**	30
	Percentage of managerial categories defined as black	**32**	33
	Percentage of skilled categories defined as black	**64**	65
	Percentage of semi-skilled categories defined as black	**98**	95
	Percentage of unskilled categories defined as black	**99**	99
8.	**Employee assistance programme participation**		
	Number of employees on HIV/AIDS counselling an education support programmes	**1 658**	1 799
	Number of employees on the medicine dispensation programme	**608**	784
	Number of employees on the health screening programme	**9 094**	9 336
	Number of employees on the winter wellness programme	**10 851**	11 225
	Number of employees and family members partaking on the Ask Nelson EAP programme	**382**	510
	Number of employees registered on the Crisis-on-Call emergency support programme	**228**	223
9.	**Regulatory compliance**		
	Corruption findings	**Nil**	Nil
	Human Rights violation findings	**Nil**	Nil
	Department of Employment and Labour audit findings	**Nil**	Nil
	B-BBEE Commissioner audit findings	**Nil**	Nil
	Child labour deployed	**Nil**	Nil
	Client Human Resources audit findings	**Nil**	Nil

* *Training hours available were adversely impacted by the outbreak of HPAI.*
** *A once-off community-based survey training programme was undertaken in Lekwa during 2023. Unemployed community members were trained to conduct a community-based survey and needs analyses report. Subsequently, this resulted in numerous CSI projects implemented in line with local community needs.*
*** *Excludes specialists sub-contractor employees.*

1. Workplace attendance

Description	2024	2023
Absent without permission (during the year)	**<2%**	<2 %
Overtime hours worked for the year	**2 165 035**	3 667 168*
Number of normal time hours worked for the year	**21 476 287**	24 908 088
Number of working hours cancelled due to loadshedding	**7 856**	49 588

* *Overtime hours worked was adversely affected due to loadshedding and additional shifts to be worked to sustain production.*

2. Recruitment and selection

South Africa is faced with a growing critical skills shortage. The recruitment and deployment of the best appropriate talent is therefore a key focus. The recruitment, selection, placement and retention of the right talent at the right time and the right fit remain key to our human resource value offering.

Recruitment systems were further developed during the year integrating data across multiple search platforms locally and internationally. The on-going strategy to mitigate the skills shortage risk and the availability of critical talent, was successfully dealt with through the development of talent pools, succession plans, recruitment and training.

3. Employee relations

Astral uses various stakeholder engagement platforms to build and enhance relationships and understanding with trade unions. This creates collaborative agreements and collective partnerships that facilitate constructive solutions for complex challenges.

4. Training and development

Astral is registered as an accredited training service provider with the AgriSETA for a number of accredited training programmes. Astral's accredited trainers trained more than 650 employees internally on food safety and biosecurity programmes.

The following training programmes were developed and/or rolled out during 2024:

- The poultry stockman technical training programme was expanded across the agriculture operations;
- Engineering artisan programmes were successfully rolled out during the year, delivering the required technical skills needed to sustain the operations;
- Safety, risk and legal compliance training were done at all operations. This contributed to a zero non-compliance audit finding received;
- A comprehensive biosecurity training programme was introduced at all operations during the year;
- Continuous improvement training and supervisory development programmes were further developed during the year and implemented at the processing operations;
- A number of community-based training programmes were rolled out during the year focusing on environmental management and waste recycling. Some 35 unemployed youth learners graduated from these programmes during the year; and
- More than 1 400 employees participated in an on-line IT fraud awareness training campaign.

Astral has spent R18.4 million (2023: R13.7 million), a 34.3 % increase, on training during the 2024 financial year.

5. Succession planning and retention

The attraction, development and retention of key talent remain a priority. Risk mitigation remedies introduced for talent development supports Astral's competitive advantage within the industry. Competitors, external stakeholders, shareholders and investors recognise Astral for its excellence in leadership, management, technical and operational capacity and capabilities.

Succession planning, talent development and retention initiatives are continuously reviewed to optimise, nurture and deploy the best people. Employing the right talent, at the right time, and at the right place, is underpinned by Astral's talent acquisition, talent development and succession planning systems. The development of suitable successors and promoting from within sustains our high-performance culture and retain dependable staff who implement our strategy.

In a very competitive market where critical skills are becoming more scarce, it is clear that the retention of critical skills is becoming significant.

6. Health and safety

Health and safety are the responsibility of everyone. Health and safety management systems conform to all applicable local legislation. Senior managers are appointed in line with the Occupational Health and Safety Act and the General Machinery Regulations. These appointees are responsible for occupational health and safety within the operations in terms of:

- **Compliance:** Adherence to applicable health and safety legislation, standards, frameworks and best practice relevant to the Group;
- **Risk assessment:** Continuously evaluate and mitigate health and safety risks within the Group. Internal and independent external audits are conducted on a regular basis;
- **Risk mitigation:** Identification of workplace hazards and the provision of the required safety equipment, procedures and training to employees to mitigate against accidents, injuries and diseases;
- **Training and awareness:** Promote awareness and a sense of responsibility among employees with regard to effective health and safety communication, training and awareness and consultation with all levels of employees, contractors and other stakeholders directly affected by our activities and processes;
- **Commitment:** Integrated comprehensive management systems to ensure accountability for employees' wellbeing; and
- **Continuous improvement:** Periodically review the relevance and appropriateness of the above endeavours to ensure continuous improvement in the Group's health and safety efforts.

Lost Time Injury Frequency (LTIF) is the number of working hours lost due to injury, calculated as a factor of the total accumulative hours worked (being Astral and service provider employees) for the LTIF measuring period.

LTIF rates are calculated daily to ensure effective risk mitigation and is a non-financial performance target. The Group has achieved its LTIF rate target of 2.5 (man hours lost per 1 million hours worked) for milling operations and 3.0 for farming and processing facilities. A continuous improvement target of a 10 % reduction in recordable injuries on a year-on-year basis is in place.

Human Resources, Remuneration and Nominations Committee Report (continued)

	Poultry – Agriculture		Poultry – Commercial		Feed		Total	
Description	2024	2023	2024	2023	2024	2023	2024	2023
Number of fatalities	Nil	Nil	Nil	2[1]	Nil	1[2]	Nil	3
Number of medical treatment cases (including first aid cases)	10	15	289	143	19	7	318	165
Number of lost time injuries	71	44	147	146	23	10	241	200
Number of recordable injuries	81	59	436	291	42	18	559	368
Injury frequency rate	1.85	1.87	1.13	1.19	1.35	1.10	1.44	1.39

1. *Astral employee – fatal accident.*
2. *Astral employees – fatal accident.*

7. Retirement funds

Astral's retirement benefits and insurance cover plans were benchmarked against market products. The Remco is satisfied that the current retirement investments, risk benefits and insurance products address employee requirements and are in line with best practice.

Fund administrators submitted a report at the February 2024 Remco meeting confirming that the funds are solvent.

8. Human rights and Code of Ethics[1]

Beside human rights, the following are also addressed in Astral's Code of Ethics:

- human dignity;
- equality;
- freedom;
- obeying the law;
- respecting others;
- acting fairly; and
- being honest.

1. *Please also see pages 79 to 82 in the Social and Ethics Committee Report.*

Breaches of the Code of Ethics are monitored through the "Tip-Offs Anonymous" system and are addressed through applied procedures. Employees may use established grievance procedures or seek trade union or industry assistance. All incidents reported through "Tip-Offs Anonymous" are investigated by internal audit and appropriate action taken in terms of the relevant policies and disciplinary procedures.

"Tip-Offs Anonymous" data	2024	2023
Number of calls received	20	33
Number of reports generated	18	31
Number of reports investigated	18	31
Number of convictions	Nil	Nil

Astral applies a zero-tolerance approach towards fraud and corruption and protects employees who raise concerns relating to fraud and corruption from victimisation.

The following offences were reported to the "Tip-Offs Anonymous" line:

Alleged offences	2024	2023
Theft	2	3
Human Resource complaints	14	26
Fraud	12	2
Unethical behaviour	Nil	Nil
Customer complaints	Nil	1

The whistle blower policy introduced continues to protect the rights of the individual against victimisation when such an event materialises.

It is not Astral's policy to support political parties and no funds were made available for this purpose during the year.

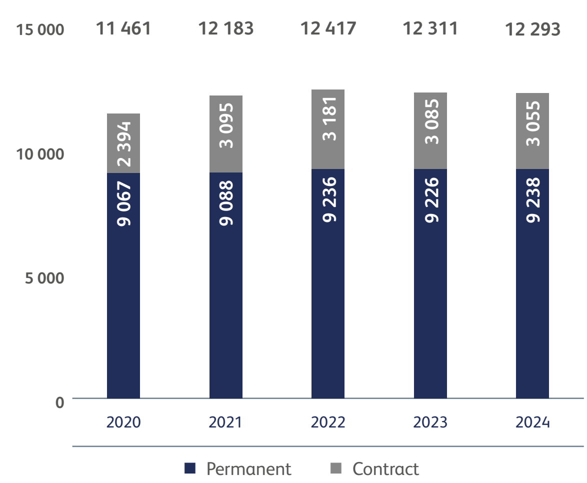
9. Restraint of trade agreements

Remco introduced a Restraint of Trade Policy during the year. Going forward, restraint of trade agreements will be entered into for selected employees. These agreements will be entered into on an individual basis for approval by the Remco.

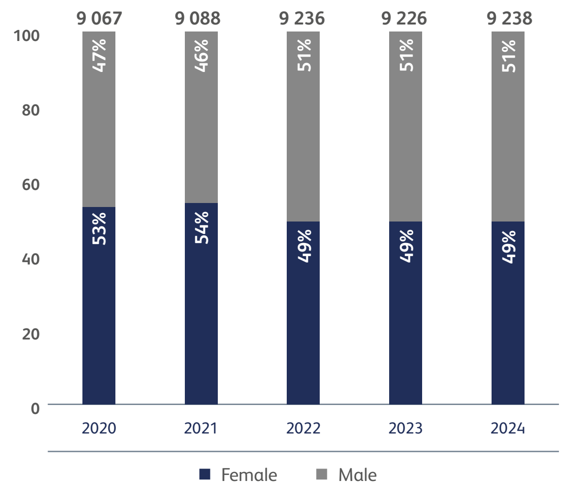
Employee statistics

For the years ended 30 September

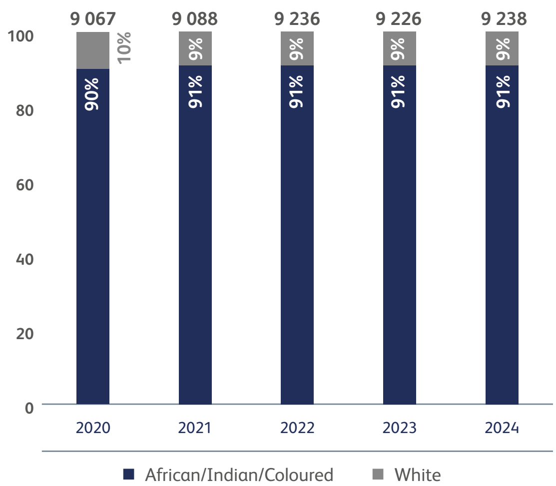
Total employees *(excludes contracted services)*



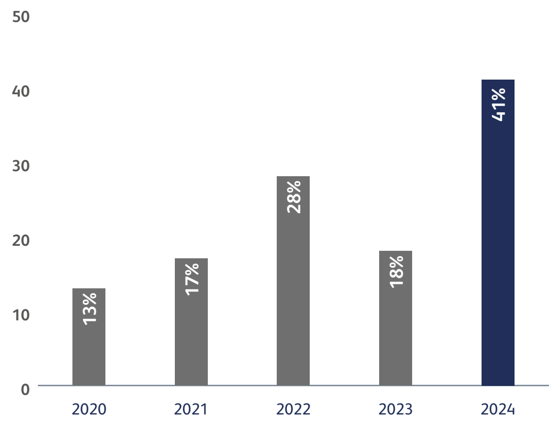
Permanent employees by gender



Permanent employees by ethnic group

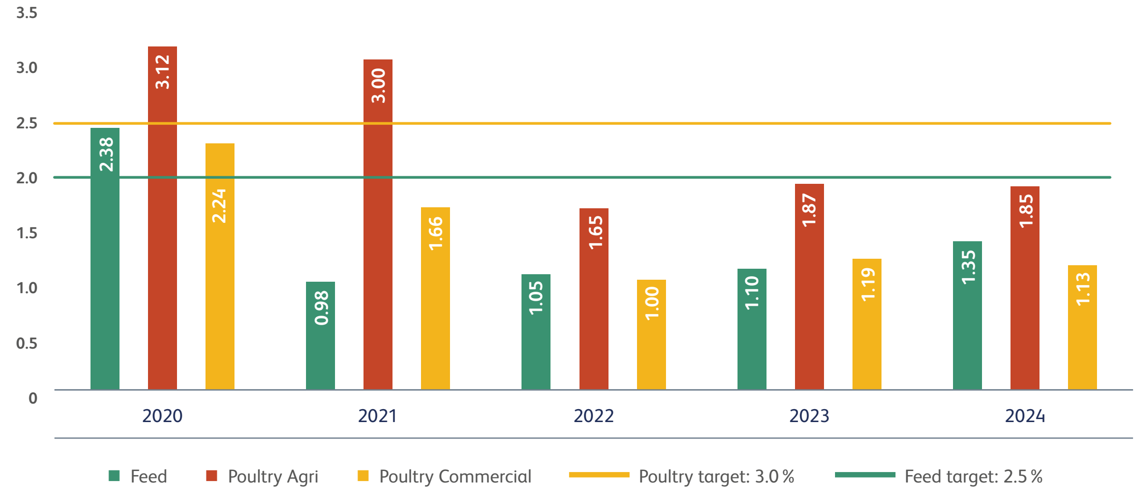


Employees trained



Human Resources, Remuneration and Nominations Committee Report (continued)

Lost Time Injury Frequency rate



Broiler Placement

SECTION 2: REMUNERATION REPORT

This section of the report provides stakeholders with the key components of the Remuneration Policy, its strategic, financial and non-financial performance objectives, the reward framework implemented during 2024 and retention objectives.

Employees are the foundation of our business. Astral therefore adopted an integrated and balanced approach to its reward strategy. Our remuneration strategy and framework are aligned with the Group's reward strategy. It aims to attract, retain and motivate employees through fair remuneration to ensure our business model remains robust, delivers strategic intent and optimises profitability.

PART 1: BACKGROUND STATEMENT

GOVERNANCE

The Remco is mandated by the Board and constitutes individuals who have the knowledge and skills to oversee and govern fair and ethical remuneration practices.

COMPLIANCE

In terms of King IV™ and the Listings Requirements shareholders are required to cast a non-binding advisory vote on the Remuneration Policy and implementation of this Remuneration Policy as presented in this report at the AGM of shareholders. Should either vote receive 25% or more votes against, the following steps will be taken by Astral:

- issue a SENS announcement regarding the outcome of the vote;
- invite dissenting shareholders to engage with Astral regarding their dissatisfaction;
- schedule collective and/or individual engagements, either electronically or personally, with dissenting shareholders to record their concerns and objections;
- assimilate all responses and analyse concerns and issues raised with the objective of formulating changes to policy and implementation where required; and
- respond appropriately to shareholders to provide feedback of where changes may be made or alternatively why Astral, despite shareholder feedback, believes their current policy and/or implementation of this policy is adequate.

SHAREHOLDER ENGAGEMENT

The results of the voting on the following resolutions proposed at the previous two (2) AGM's were as follows:

Percentage of "For" votes	**February 2024**	February 2023
Endorsement of the Remuneration Policy	**84.98%**	71.90%
Endorsement of the implementation of the Remuneration Policy	**77.94%**	48.10%

Human Resources, Remuneration and Nominations Committee Report (continued)

The Remco seeks to openly and honestly engage with shareholders and stakeholders alike. Subsequently, a number of engagement sessions were held before the AGM held on 1 February 2024 with the following concerns raised:

The endorsement of the Remuneration Policy:

Shareholder concerns	Committee remarks
The minimum performance thresholds under the LTI Scheme for HEPS should be reviewed.	*The Remco's annual work plan requires a comprehensive review of all its annual remuneration policies and applied performance hurdles in terms of relevance, a market peer comparator review, optimising shareholder returns and transparent disclosure. Performance hurdles are set per incentive cycle for the relevant scheme (being the Short-Term Incentive (STI) and the Long-Term Incentive (LTI) Schemes) and takes economic circumstance into account.*
Request for further disclosure on the ESG performance hurdles introduced.	*ESG performance hurdles are reviewed annually and are aligned with material risk topics introduced. These performance hurdles introduced under the LTI Scheme focus on environmental matters (being carbon emissions and water treatment), Food Safety Security Audits, Animal Welfare Audits and Enterprise and Supplier Development initiatives introduced under the B-BBEE strategy.*
Request for further disclosure of performance hurdles achieved under the Turnaround Incentive Scheme.	*The Turnaround Incentive Scheme (TIS) was introduced as an interim business turnaround incentive, given the Group's FY2023 financial position. It is a self-funded scheme and the specific performance hurdles introduced, contains market sensitive financial information.*
Request for further disclosure of the PEF performance hurdles under the LTI Scheme.	*PEF performance hurdles cannot be disclosed further as they contain sensitive operational performance information. The Remco is satisfied that the PEF performance hurdles applied are aligned with international best practice.*
Concerns raised with the introduction of ESG standards as non-financial performance hurdles being not in the financial interest of shareholders.	*ESG performance hurdles were introduced under the LTI Scheme, with 10% of the vesting criteria subject to ESG performance hurdles. Furthermore, the additional performance hurdles introduced did not result in an increase in the award quantum for the individual scheme participants or the safety nets applied under the policy.*

On endorsement of the Implementation Report:
No comments were received on the endorsement of the implementation of the Remuneration Policy.

INDEPENDENT ADVISORS AND PEER GROUP COMPARISON

As part of mitigating the risks associated with critical skills shortages, the Remco ensures that executive and senior management are competitively remunerated. Subsequently, the Remco consults with external independent advisors on market information, remuneration for peer competitors and the latest remuneration trends.

During 2024, external advice was received from:
- 21st Century Pay Solutions Group; and
- Bowmans Reward Advisory Services.

We implemented 21st Century Pay Solutions Group's Rewards online pay scale system that is used to perform industry, market and peer competitor remuneration benchmarks. This provides information for remuneration scales and equal reward for work of equal value. In line with its annual work plan, the Remco reviewed peer competitor reports during its August 2024 meeting. The selection of peer comparators was based on a metrics that included revenue, market capitalisation, size of operations, number of employees, as well as industry and operation complexities.

The Remco further considered the views of the CEO on remuneration and performance in the Group.

The Remco is satisfied with the independence and objectivity of the remuneration consultants and advisors engaged with during 2024.

PART 2: REMUNERATION ACTIVITIES UNDERTAKEN AND KEY FOCUS AREAS FOR 2024

Astral's reward strategy focuses on attracting, retaining and motivating employees through fair, responsible and market-related remuneration and benefits that optimise shareholder returns.

Astral's remuneration framework ensures an appropriate balance between shareholder interests and the operational and strategic requirements of the Group. A high level of transparent remuneration reporting is maintained. The Remuneration Policy renders Astral competitive with comparable mid-cap companies listed on the JSE.

The overall business performance of Astral during the 2024 financial year was satisfactory, given the impact of uncontrollable external factors such as public infrastructure failures, HPAI outbreaks, commodity prices, the unfair dumping of chicken products and subdued trading conditions.

The Remco is satisfied that the activities performed during the year have met all the objectives of the 2024 financial year work plan.

The Remco performed the following key actions during the year:

- reviewed and confirmed that the mandate and terms of reference of the Remco are aligned to the King IV™ principles;
- approved the remuneration adjustments for executive management, senior management and employees;
- reviewed fee levels for Non-Executive Directors for recommendation to the Board;
- reviewed the STI, LTI and TIS policies and confirmed the required performance conditions;
- engaged and communicated with concerned shareholders regarding the Remuneration Policy and implementation of the Remuneration Policy report for the 2024 financial year;
- approved the LTI and TIS Scheme participants;
- commissioned an independent reward audit;
- reviewed remuneration developments compared to market best practice; and
- reviewed and monitored retirement funds performance and administration as governed by the board of trustees of these funds.

The Remco confirms that it has discharged its responsibilities as mandated by the Board, its statutory duties in compliance with the Companies Act and best practice in corporate governance as set by King IV™.

The Remco will continue to govern in such a manner and satisfy itself that employees are remunerated in a fair, responsible and transparent manner, as prescribed by Principle 14 of King IV™, to achieve the strategic objectives of the Group and positive outcomes in the short, medium and long term.

The key remuneration focus areas of the Remco for FY2025 are the following:

- review and confirm the mandate and terms of reference of the Remco with King IV™ principles;
- continue with the implementation of the revised and broadened Remuneration Policy;
- continue with the implementation of revised Executive Committee and senior management talent requirements, attraction, retention and succession planning;
- reviewed the interim TIS scheme further due to the financial improvement in FY2024;
- monitor and review remuneration policies to align rewards with the turnaround strategy of the Group;
- sustain and develop the Astral culture; and
- further refine ESG performance hurdles with the ESG Committee.

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Human Resources, Remuneration and Nominations Committee Report (continued)

PART 3: REMUNERATION POLICY

3.1 REMUNERATION FRAMEWORK

Astral's Remuneration Policy is structured within the framework of the Group's reward strategy to attract, motivate, reward and retain the highest calibre of talent successfully. The alignment and performance of applied human capital continues to deliver shareholder returns (over the short, medium and long term) and achieving strategic objectives within Astral's risk appetite. The achievement of positive outcomes for both shareholders and employees are driven by the ethical Astral culture and its adherence to responsible and accountable corporate citizenship.

Astral's integrated reward and retention framework comprises the following elements:

- Total Guaranteed Package (TGP);
- Short-Term Incentives (STI);
- Long-Term Incentives (LTI);
- An interim Turnaround Incentive Scheme (TIS) for FY2024 and FY2025;
- A Minimum Shareholding Requirement (MSR) for executives;
- A Restraint of Trade Policy;
- recognition programmes, including a long service award programme;
- succession planning and skills development, with supported learning and development programmes;
- employee wellbeing, through an integrated wellness programme; and
- employee benefit administration in terms of insurances, retirement funds, medical aids and conditions of employment.

The key elements of Astral's remuneration framework and structure can be summarised as follows:

Type	Intent	Reward element	Eligibility	Link to strategy
Guaranteed package	**TGP** Attract, reward and retain skills of the highest quality to execute Astral's strategic objectives (refer to 3.3.1)	Salary	All employees	Yes, retain adequate skills
Variable pay	**STI** Reward employees by aligning reward with performance (refer to 3.3.2)	EVA Incentive Bonus Scheme (refer to 3.3.2.1)	Selected executive members and senior management	Short-term focus upon achievement of financial performance indicators in support of Group strategy
		PBIT Incentive Bonus Scheme (refer to 3.3.2.2)	Employees including selected senior management	Business unit focus upon achievement of financial and operational targets
		Key performance incentives (refer to 3.3.2.3)	Selected middle to senior managers and professionals	Short-term focus upon achievement of key performance indicators in support of Group strategy
	LTI Retention of skills and alignment with shareholders' interests (refer to 3.3.3)	Long-term Retention Plan (LRP) (refer to 3.3.3.1)	Selected executives, senior management and professionals	Long-term retention and achievement of Group strategy
		Forfeitable Share Plan (FSP) (refer to 3.3.3.2)	Selected executives, senior management and professionals	
	TIS Interim scheme for FY2024 and FY2025 (refer to 3.3.4)	Cash reward scheme	Selected executive members	Short-term focus to drive balance sheet improvement
Shareholding	**MSR** (refer to 3.4)	Alignment to strategic objectives	Selected executives	Engagement and alignment of quality leadership

The guiding principle for Astral is to ensure that employees are fairly and responsibly rewarded for their individual contribution to the Group's operational and financial performance, in line with its corporate objectives and business strategy. Remuneration rewards are aligned with industry and market benchmarks by focusing on a number of factors including:

- individual performance;
- balanced approach towards fair and equitable remuneration, in principle comparative at all levels within Astral;
- affordability and sustainability of remuneration at the various levels;
- the total remuneration mix for each individual; and
- the relative strategic and operational positioning of each job in contributing to the overall success of our business.

3.2 CLAWBACK PROVISION

- A two-year clawback provision was included in the STI and LTI Policies for all participants since 1 October 2019; and
- during the financial year ended 30 September 2024, no incidents occurred to trigger the clawback conditions.

3.3 EXECUTIVE MANAGEMENT REMUNERATION

Astral's reward philosophy for Executive Directors and Prescribed Officers entails that a significant portion of their remuneration received is dependent upon the Group's performance. The actual total payment outcomes for the year ended 30 September 2024 is dealt with in Part 4 of this report.

The components of the remuneration practice applied across employment categories (including Executive Management) are summarised below.

3.3.1 Total Guaranteed Package (TGP)

Astral applies a total cost-of-employment philosophy for all salaried employees, called a Total Guaranteed Package (TGP). TGP incorporates basic salary, fixed car allowance, retirement fund and medical aid contributions. TGP packages are considered guaranteed remuneration and excludes STI or LTI incentives or any other suggested turn-around incentive payments. TGP is paid monthly in arrears and can be structured in terms of contributions and allocation to optimise employee net earnings. TGP package structuring holds no other financial cost impact. TGP is reviewed annually on 1 October, with adjustments in TGP generally linked to CPI. Extraordinary adjustments are treated separately and are informed by reputable independent remuneration specialists. Such adjustments are based on market indicators and peer group comparators.

TGP remuneration is linked to the Paterson job grading system and remuneration bands are reviewed annually by 21st Century Pay Solutions Group, a reward specialist. In general, higher annual percentage increases are awarded for Paterson grade entry level positions.

TGP remuneration for senior management and executive management ranges between the 50th percentile and the 90th percentile of comparator companies on the JSE. It is at the discretion of the Remco, as mandated by the Board, to consider and approve recommendations from the Executive Committee. When required, selected key senior and executive management employees are remunerated within the upper percentile quarter to retain such employees.

3.3.2 Short-Term Incentives (STI)

STI Schemes are designed to motivate and encourage employee performance across all employment levels within the organisation and are reviewed regularly to ensure the Rand quantum remain fair, responsibly and relevant.

Annual incentive schemes reward individual participants for the achievement of financial and non-financial performance targets. The Remco is satisfied that annual applied STI performance targets remain relevant, fit for purpose and enhance Astral's performance to increase shareholder value.

These incentive schemes fall into two categories:

- an economic value-add (EVA) performance bonus, covering members of executive management and senior management (EVA Incentive Scheme), which provides direct alignment of management incentives with shareholder value creation; or
- a business unit operating profit performance bonus, covering employees at the different business units (PBIT Incentive Scheme).

Human Resources, Remuneration and Nominations Committee Report (continued)

Fault terminations of employment due to reasons of resignation or disciplinary reasons will lead to forfeiture of all awards allocated. In the event of no-fault terminations of employment such as ill health, death in service, retrenchment or retirement, incentive payments vest on a pro rata basis.

3.3.2.1 EVA Incentive Bonus Scheme

The EVA Incentive Bonus Scheme is considered an important measure of individual performance and supports Board and shareholder objectives in terms of:

- investment;
- business development;
- working capital management;
- talent management;
- growth and profitability; and
- close alignment to shareholder expectations.

Incentive bonuses for members of executive management and senior management are based on sharing in the EVA created.

EVA is based on the premium of the rate of return over a company's cost of capital and essentially it measures the value a company generates from the funds invested into it.

EVA is, for purposes of the scheme, defined as the excess of Net Operating Profit After Tax (NOPAT), over the required return on average net assets in operation during the period under review calculated at a Weighted Average Cost of Capital (WACC) rate. The WACC rate used is the average of the prior year (September) rate and the rate at the end of the current financial year.

The EVA bonus will only be paid to a participant if the threshold of an appropriate premium to WACC (stretch performance target) has been met.

Exceptional performance percentage reward targets are included under the scheme as an added premium to the stretched performance target and is paid within the safety net cap provisions as applied for all STI Schemes.

The following safety net conditions are included as part of all STI Schemes:

- the total amount available for bonuses to the members of executive management and senior management is limited to 20 % of the EVA (i.e. excess of actual NOPAT over the required return on net assets (RONA)); and
- no individual bonus may exceed pre-determined percentages, irrespective of the total bonus payments within the 20 % share of the EVA.

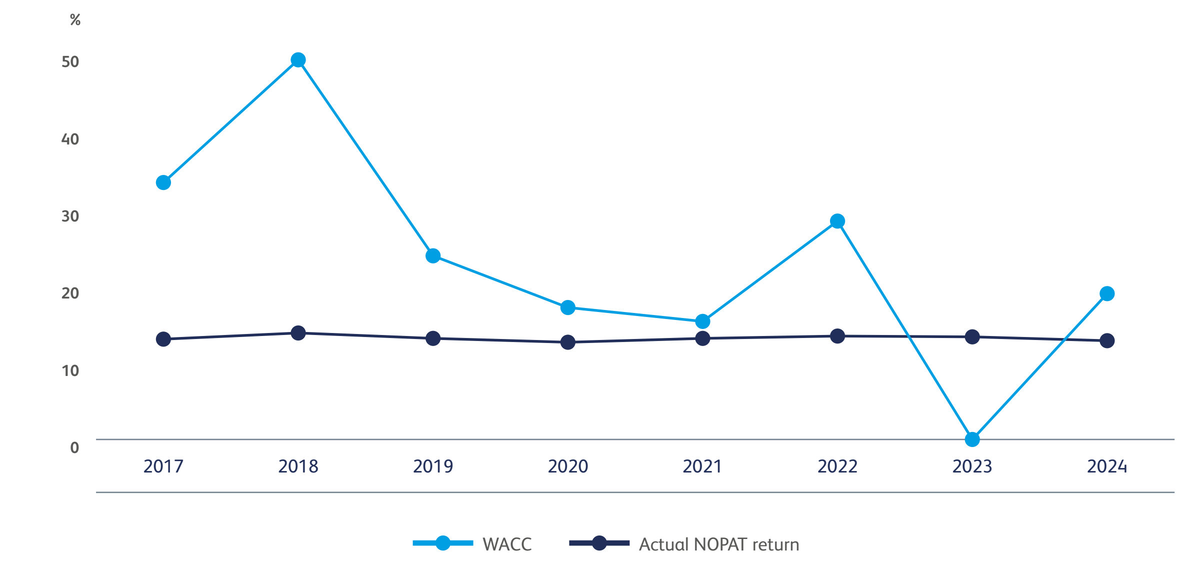
The Remco sets the annual threshold and individual annual target bonuses at different managerial levels.

Potential STI incentive earnings are capped per individual TGP as per the table below:

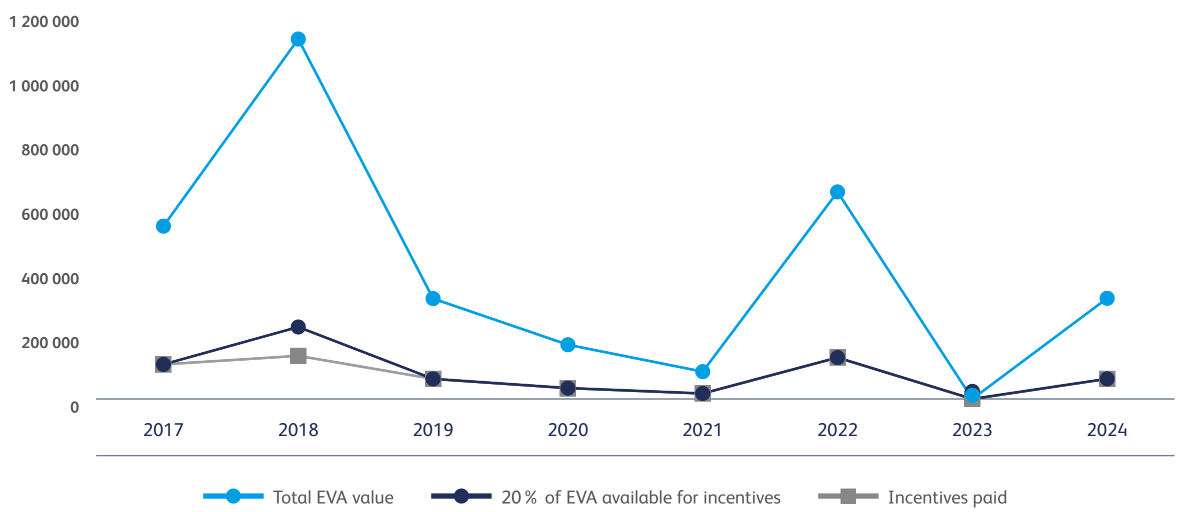
Managerial level	Stretched performance Maximum STI – % of TGP	Exceptional performance Maximum STI – % of TGP
CEO	135%	160%
CFO	120%	150%
COO	120%	150%
Managing Director	120%	150%
Executive Management	100%	125%
Senior Management	80% to 100%	100% to 125%

The EVA for Astral during the period 2017 to 2024 compared to STI allocations were as follows:

Actual NOPAT return versus WACC

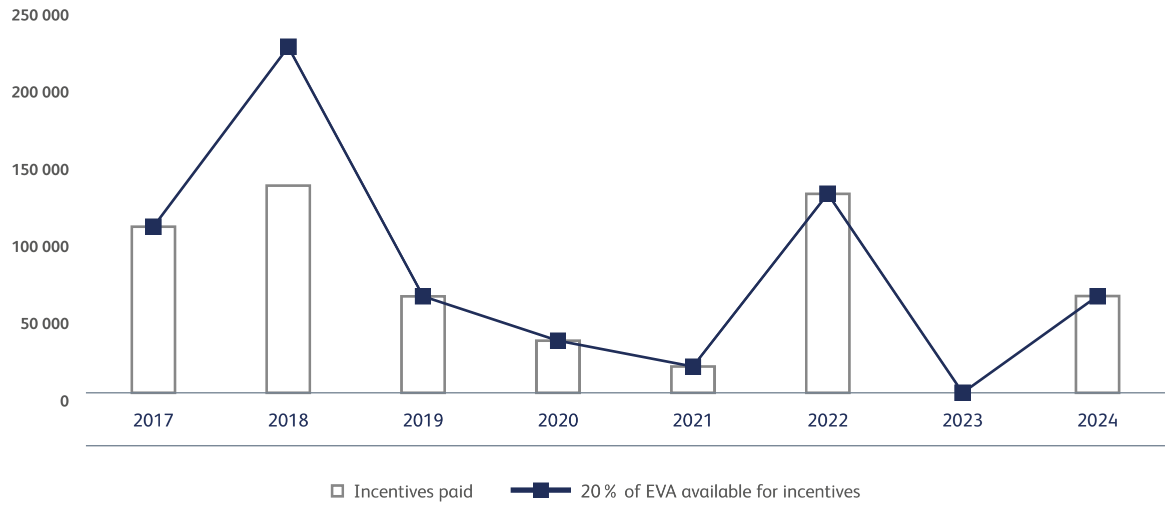


20% of EVA versus Total EVA value (R'000)



Human Resources, Remuneration and Nominations Committee Report (continued)

20% of EVA versus actual incentives paid (R'000)



3.3.2.2 PBIT Incentive Bonus Scheme at divisional and operational level

The incentive bonus payable to employees participating in this scheme are based on achieving a combination of budgeted operating profit and an improvement on the previous year's operating profit, as follows:

- half of the incentive payable is limited to 20 % of the excess of operating profit over budget and the other half is limited to 20 % of the excess of operating profit over the previous year's profit; and
- a second limit is also applied, whereby any individual bonus payment may not exceed 20 % of the employee's cost-of-employment to the Group.

3.3.2.3 Key performance incentives

Key performance incentives are considered for employees involved in delivery of key strategic projects and critical operational risk mitigation. These incentives are approved against predetermined performance indicators in support of the Group's strategy.

The Rand quantum for these incentives may not exceed fifty percent (50 %) of the individual participants' annual TGP.

Key performance incentives are recommended by the Executive Committee from time to time for approval by the Remco.

3.3.3 Long-Term Incentives (LTI)

The LTI Scheme adopted has two components, namely the LRP (deferred cash) and the FSP (restricted shares). The scheme aims to ensure the long-term retention of key employees.

In the event that any Executive Director, member of executive management or senior management should leave the employ of the Group and any payments are still outstanding, the Remco, in consultation with the CEO, will determine whether such payment should be made once vested. Payment will only be made in exceptional circumstances.

Fault terminations of employment due to reasons of resignation or disciplinary processes will lead to forfeiture of all awards allocated. In the event of no-fault terminations such as medical incapacity, death in service, retrenchment or retirement, incentives payments vest on a pro rata basis.

The following types of LTI awards are capped per individual TGP, as per the below table:

Managerial level	Participation: LRP (cash component)	Participation: FSP (restricted share component)	Maximum award quantum allowed of TGP
CEO	Nil	100%	135%
CFO	50%	50%	120%
COO	50%	50%	120%
Managing Director	50%	50%	120%
Executive management	50%	50%	100%
Senior management	100%	Nil	80%

The Remco may decide to use a combination of different percentage weightings when making individual allocations (up to the maximum award quantum).

LTI performance criteria are applied as per the below:

Performance conditions	Weight	Measurement[1]	Threshold	Target[2]
HEPS	30%	The average annual increase in a three-year rolling average of HEPS measured over the three-year vesting period	Increase equal to inflation +2 % = 18 % vesting (being 60 % of the 30 % potential earnings)	Increase equal to Inflation +5 % = 30 % vesting (being 100 % of the 30 % potential earnings)
RONA	30%	Three-year average RONA over the vesting period	An average RONA equal to 18 % will secure a payment = 22.5 % (being 75 % of the 30 % potential earnings)	An average RONA equal to 23 % will secure a payment = 30 % vesting (being 100 % of the 30 % potential earnings)
PEF	30%	Annual average measured over the three-year vesting period	Annual average agreed to PEF measured by TMEA = 14 % (being 47 % of the 30 % potential earnings)	Annual average of 100 % of PEF measured by TMEA = 30 % vesting (being 100 % of the 30 % potential earnings)
ESG	10%	ESG specific focus areas to be achieved over the three-year vesting period	An average agreed ESG performance score of 50 % = 5 % (being 50 % of the 10 % potential earnings) A rating <50 % = Nil vesting payment	An average agreed ESG performance score of 70 % = 10 % (being 100 % of the 10 % potential earnings)
Total	100%			

1. *The vesting percentage achieved increases according to a sliding scale authorised by the Remco.*

Performance targets are reviewed annually and approved by the Remco. With effect from 1 October 2023, 10 % of the LTI vesting criteria are subject to ESG non-financial performance hurdles (applied for future vesting criteria, being 30 September 2026 and forward).

Human Resources, Remuneration and Nominations Committee Report (continued)

New cycles of performance conditions take effect on allocation (being 1 October annually). LTI allocations and the performance targets are set for the three-year period and do not change for a specific three-year cycle.

Since 1 October 2018, LTI performance conditions are 100 % subject to the performance criteria achieved with no guaranteed portion.

The Remco adjusted the performance targets for HEPS and PEF upwards for the 1 October 2024 LTI allocations (vesting 30 September 2027).

3.3.3.1 Long-Term Retention Plan (LRP)

This is a deferred cash scheme introduced as an alternative to share options. It aims to attract and retain critical skills whilst aligning the performance of executive and senior management with shareholder interest.

The participants within the LRP Scheme are limited to members of executive management and senior management.

The continued use of the LRP Scheme is reviewed by the Remco, based on its sustained reward philosophy.

The LRP allocations are made annually during October and are approved by the Remco. Financial and non-financial performance targets for the specific 36-month period are determined at the time of the allocation. The LRP allocation vests over the 36-month period, subject to performance targets achieved.

Performance targets are reviewed annually and approved by the Remco. With effect from 1 October 2023, 10 % of the LTI vesting criteria are subject to ESG performance hurdles (being a non-financial performance target).

New cycles of performance conditions take effect on allocation (being 1 October 2024 going forward). LRP allocations and the performance targets are set for the three-year period and do not change.

For the 1 October 2024 LTI allocations and the 36-month performance targets (for LRP and FSP), the following applies:

- **30% of the allocated amount is subject to achieving a predetermined annualised growth in the average HEPS (financial target) of the three-year vesting period.**
  The base is determined by calculating the average HEPS of the three (3) years preceding the onset of the vesting period. The vesting percentage will increase according to a sliding scale authorised by the Remco.

  An annualised increase in the average HEPS at CPI +5 % will secure a vesting payment equal to 30 % of the allocated amount while an annualised increase in the average HEPS at CPI +2 % will secure a vesting payment equal to 18 % of the allocated amount. CPI is calculated as the average CPI for the three (3) year vesting period.

- **30% of the allocation is subject to achieving a predetermined performance condition of an average PEF[1] (non-financial target) over a three-year period.**
  Vesting payments are calculated on a sliding scale according to the average PEF achieved over the three (3) year vesting period. The use of PEF as a performance measurement tool is specific to integrated poultry businesses such as Astral and is considered essential in measuring performance within operations as an applied international benchmark for broiler production efficiency. PEF calculates the final average live weight of a broiler before slaughter over the number of days it took to achieve the weight, the bird mortality over the period and the feed conversion efficiency.

1. ***PEF explanatory note:*** *Applied international best practice used for broiler production efficiency and performance. The formula used to calculate PEF is:*

$$\frac{\text{Live weight (kg)} \quad \text{X Liveability (\%)}}{\text{Age at depletion (days)} \quad \text{X Feed conversion efficiency}} \quad \text{X } 100$$

Measuring PEF is linked to integrated poultry production and precision poultry farming and is impacted by management, environmental conditions, poultry diseases and poultry feed quality. This directly impacts Astral's strategy to be the best cost integrated poultry producer. Live broiler production cost contributed 63% in FY2024 of the total cost per kilogram of meat produced.

- **30% of the allocated amount is subject to achieving a predetermined RONA (financial target) over the three-year vesting period.**
  The vesting percentage will increase according to a sliding scale. Over a three (3) year vesting period an average RONA of 23% will secure a vesting payment equal to 30% while an average RONA of 18% will secure a vesting payment equal to 22.5%.

- **10% of the allocated amount is subject to achieving a predetermined ESG (non-financial target) performance criteria over the three-year vesting period.**
  The vesting percentage will increase according to a sliding scale. An average ESG performance dashboard rating over a three (3) year vesting period of 70% will secure a vesting payment equal to 10% while an average ESG performance dashboard rating of 50% will secure a vesting payment equal to 5%. An ESG performance dashboard rating below 50% will realise a nil% vesting payment.

Performance area	Description
Animal welfare	Department of Agriculture audit compliant
Consumer protection	Maintain ISO 9000 and 22000 audit standards in processing operations for the measuring period
Environmental impact	Achievement of goals set for gaseous emissions for the measuring period
	Achievement of goals set for wastewater and effluent discharge for the measuring period
Enterprise Supplier Development (ESD)	Achievement of transformation goals set for ESD for the measuring period

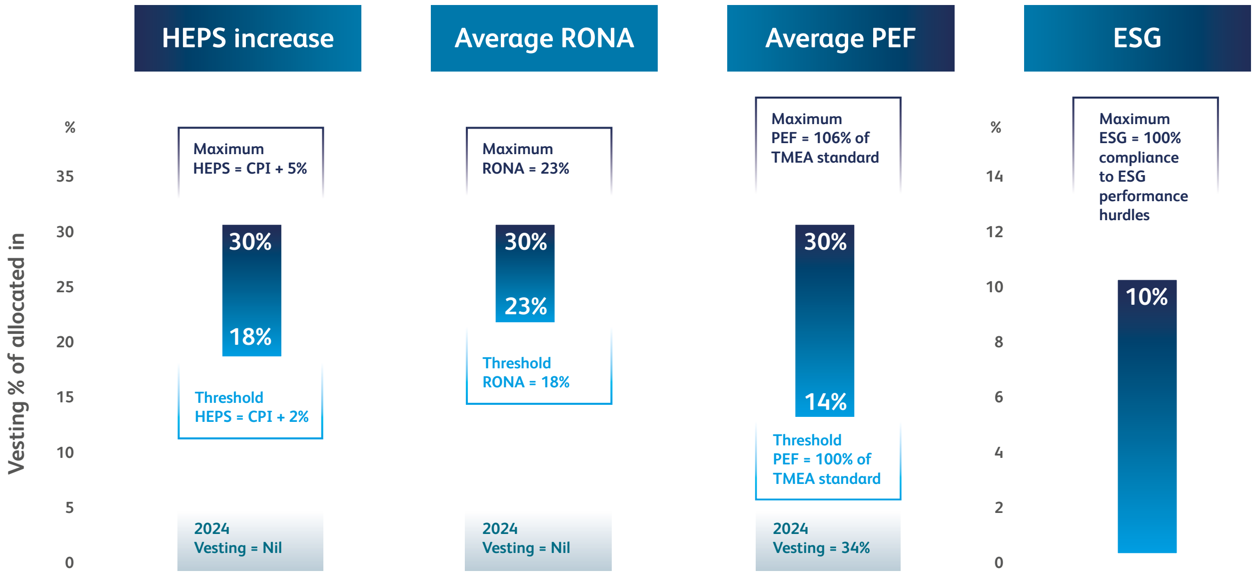
No payments are made if the minimum financial performance condition targets are not achieved. Since 1 October 2018, all participants are subjected to 100% performance conditions with no guaranteed portion.

The Remco reserves the right to change the performance conditions for new LRP amounts awarded. Vested amounts payable are calculated based on the performance conditions achieved during each three-year period ending on 30 September annually. Actual payment of the amounts is made during the following financial year.

The Remco adjusted the performance targets for HEPS and PEF upwards.

Human Resources, Remuneration and Nominations Committee Report (continued)

The remuneration opportunities under the LTI are illustrated below:



3.3.3.2 Forfeitable Share Plan (FSP)[1]

This is a restricted share scheme introduced by the Board and shareholders to retain key employees responsible for implementing and sustaining the Group's strategy. Shareholders approved the FSP Scheme for this reason.

The FSP aims to attract, retain and align members of executive management and senior management with shareholder returns. Restricted shares are allocated annually as approved by the Remco. Restricted shares pay dividends and have voting rights effective from the date of the award.

The value of the total FSP allocations must be approved by the Remco within the following framework:

- the FSP allocation to any individual may not exceed 1 % of the Group's market capitalisation applicable at the date of allocation;
- the maximum number of shares which may be settled under the FSP shall not exceed 2 142 039 (two million one hundred forty-two thousand and thirty-nine) shares;
- the quantum of unvested shares awarded under the scheme for any individual participating member may not exceed 428 408 (four hundred and twenty-eight thousand four hundred and eight) shares;

Outbound Logistics

- individual awards made, either in LRP (Rand value of deferred cash) and/or in FSP (Rand value of shares at allocation) may not exceed the maximum individual award quantum of TGP; and
- the vesting of restricted shares is subject to satisfying employment conditions and pre-determined performance conditions during the applicable 36-month vesting period. FSP awards are forfeitable if employment and performance conditions are not met.

Participants on the FSP have shareholder rights in Astral for all vested shares accumulated during the different multiple reward cycles of the participant's employment tenure. In line with remuneration best practice, awards of forfeitable shares are subject to audit and governance compliance in terms of the approved FSP scheme rules and Listings Requirements. The Remco is satisfied that all compliance requirements for FSP awards made to date have been fulfilled. The participants within the FSP Scheme are limited to members of executive management.

1. As per the rules of the scheme approved by shareholders and registered with the JSE.

The performance conditions relating to the vesting of the FSP (restricted shares) and the LRP (cash) are the same:

	Weighting
Financial performance conditions	
HEPS	**30%**
RONA	**30%**
Non-financial performance conditions	
PEF	**30%**
ESG	**10%**

Shares are settled by the appointed share broker purchasing shares in the open market as governed in terms of the Listings Requirements and other trading regulation requirements.

3.3.4 Turnaround Incentive Scheme (TIS)

This interim scheme aims to facilitate the rebuilding of the Group's financial position over a 24-month period following the dramatic impact of the loadshedding and HPAI outbreak which weakened the balance sheet considerably due to the R2.1 billion unplanned costs during FY2023.

Eligibility to the scheme extends to limited selected executive members of the Group. Participation is subject to approval by the Remco.

The TIS is a self-funded scheme based on operating free cash flow (OFCF) generated to ensure that sufficient OFCF is generated per annum to restore the financial position of the Group.

Performance target[1]

OFCF is, for purposes of the scheme, defined as the operating free cash flow (excluding discretionary capital expenditure and dividend payments) of the Group and is measured against the performance target set by the Board in terms of the cash flow position.

The second 12-month period will be measured over the period 1 October 2024 to 30 September 2025.

The Remco adjusted the TIS performance hurdles (being the OFCF generated) upwards for FY2025. The Remco deems this adjustment a necessary measure to fully embed the Group's turnaround strategy.

1. Due to the sensitive nature of the information, the actual OFCF Rand amount threshold target is not declared for future performance thresholds as price sensitive forecasts could be derived from such.

Human Resources, Remuneration and Nominations Committee Report (continued)

Potential TIS incentive earnings are capped per individual TGP as per the table below:

Participants on the scheme	Performance conditions achieved and potential earnings of TGP		
	≥ OFCF threshold achieved	≥ OFCF stretched threshold achieved	≥ OFCF exceptional threshold achieved
CEO	0% – 100%	≥135%	160%
CFO			
COO	0% – 100%	≥120%	150%
Managing Director			
Other executives	0% – 100%	≥100%	125%

Safety net conditions applied:

- No individual bonus may exceed the percentage cap per the individual TGP earnings as described below.
- Any incentive award bonus payments under this scheme are reduced by the value of the LTI awards vesting during the applicable period.
- Up to a 10% penalty on awards under this scheme will be imposed if non-financial and ESG targets are not achieved.

Performance threshold split:

- 100% of awards under this scheme is based on cash flow generated vs targets achieved with the total amount (being the Rand amount above the OFCF targets) available for bonuses to the selected members of executive management. These are to:
  - 10% of any amount equal or greater than the OFCF threshold, but below the stretched OFCF threshold achieved; and
  - plus 15% of any amount equal or greater than the stretched OFCF threshold but below the exceptional OFCF threshold achieved; and
  - plus 20% of any amount equal or greater than amount above the exceptional OFCF threshold achieved.
- The settlement of awards under this scheme is 100% in cash; and
- Incentive awards payable to Executive Directors under this scheme will continue to be based on financial thresholds being achieved in full. However, up to a 10% penalty on awards will be imposed for not achieving non-financial and ESG targets.

3.4 MINIMUM SHAREHOLDING REQUIREMENT

A minimum shareholding requirement (MSR) was introduced for Executive Directors and Prescribed Officers with effect from 1 October 2023. The purpose of the minimum shareholding threshold is to align the interests of Executives with the long-term interest of shareholders.

The minimum shareholding thresholds tabled below must be achieved by the fifth anniversary date of the policy implementation date (being 1 October 2028) or within five years of the appointment date (for new appointments).

Description	Minimum shareholding threshold Rand value
CEO	2.0 x annual TGP
CFO	1.5 x annual TGP
COO	1.5 x annual TGP
Managing Director	1.5 x annual TGP
Prescribed Officer	1.3 x annual TGP

For the purpose of the calculation the quantum of ordinary and restricted shares held is used. The volume weighted average share price in Rand value as at 30 September annually is used for the calculation.

The Chairman of the Board approves the trading of shares by Executives.

3.5 SEVERANCE ARRANGEMENTS

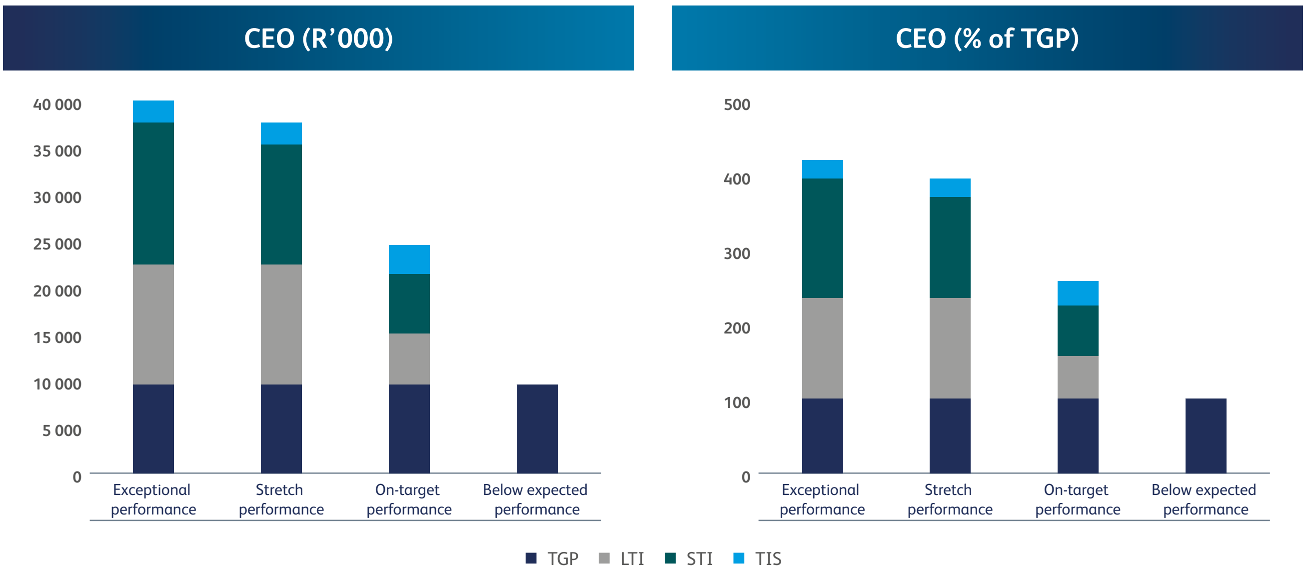
Executive Directors, members of executive management and senior management on Paterson Grades D, E and F are subject to Astral's standard terms and conditions of employment:

- notice of termination periods are two (2) calendar months for Grades D and three (3) calendar months for Grades E and F;
- in line with Group policy no Executive Director is compensated for the loss of office and none of the Executive Directors have special termination benefits or are entitled to balloon payments;
- Astral's practice when terminating the services of an individual for economic and operational reasons is to pay a minimum of one week's total remuneration for each completed year of service. This policy applies to all employees, subject to negotiation in special circumstances;
- restraint of trade agreements are entered into with selected employees and is subject to Remco approval; and
- the Nominations Committee and Mr Schutte entered into a restraint of trade agreement for a 24-month period (being 1 February 2025 to 31 January 2027).

3.6 REMUNERATION OPPORTUNITIES

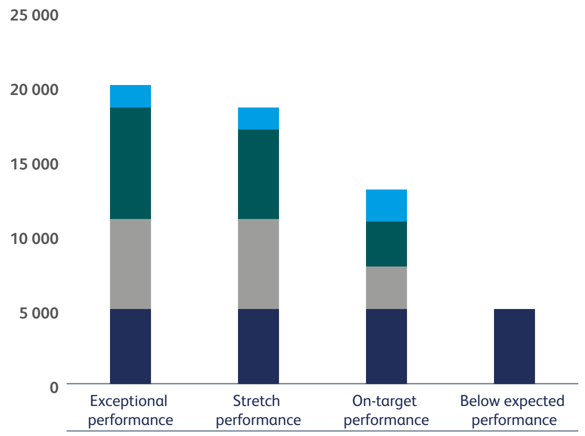
The remuneration opportunities for Executive Directors and Prescribed Officers under the different performance scenarios are illustrated below:

3.6.1 Executive Directors:

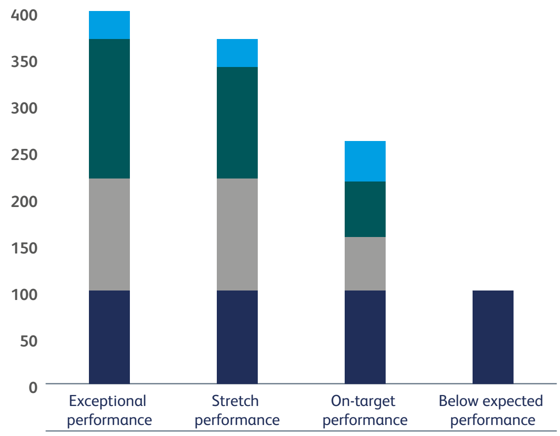


Human Resources, Remuneration and Nominations Committee Report (continued)

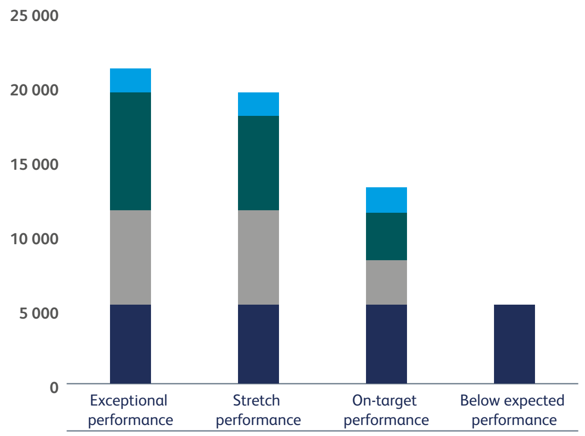
CFO (R’000)



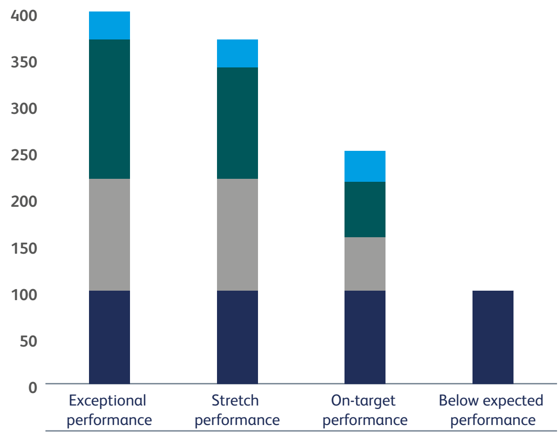
CFO (% of TGP)



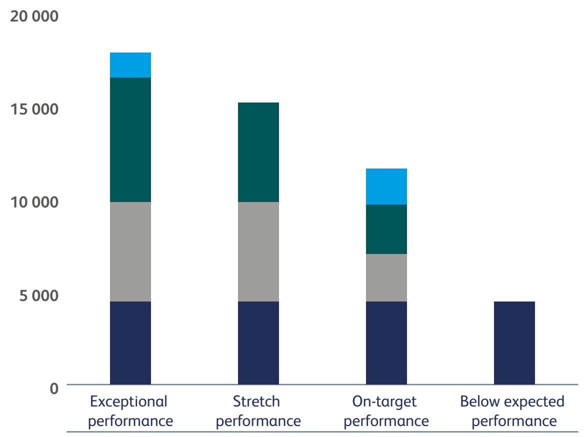
COO (R’000)



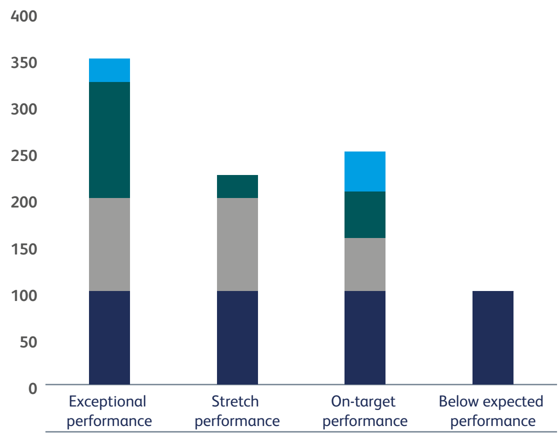
COO (% of TGP)



Managing Director – Commercial (R’000)



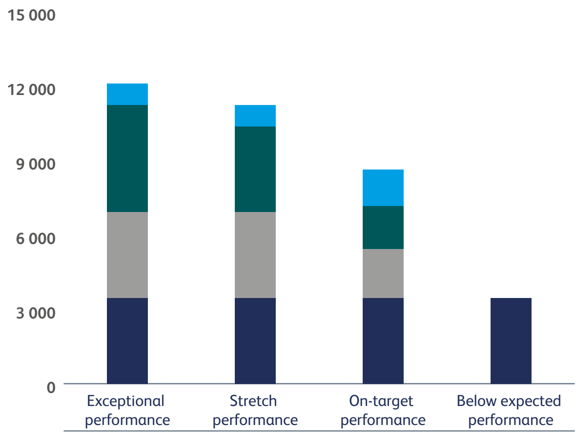
Managing Director – Commercial (% of TGP)



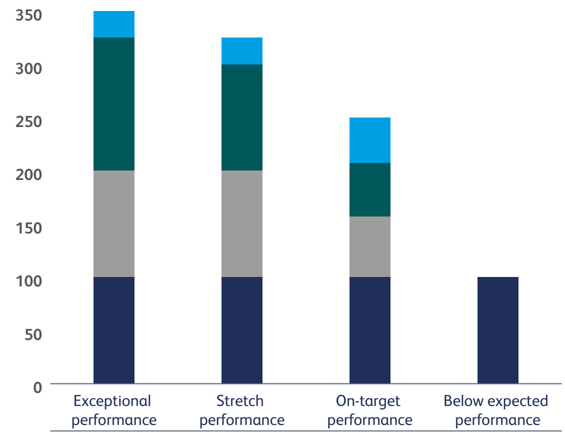
■ TGP ■ LTI ■ STI ■ TIS

3.6.2 Prescribed Officers:

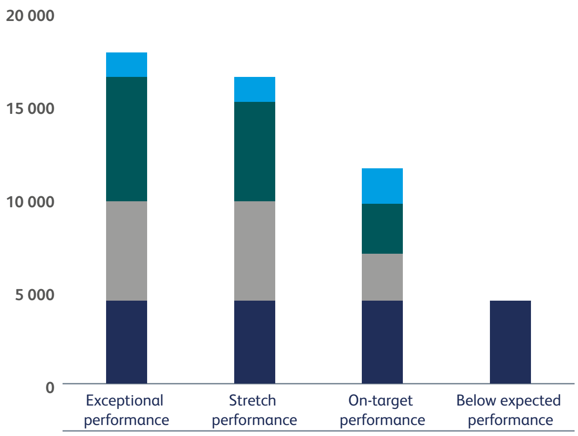
Risk Director and Human Resources Executive (R'000)



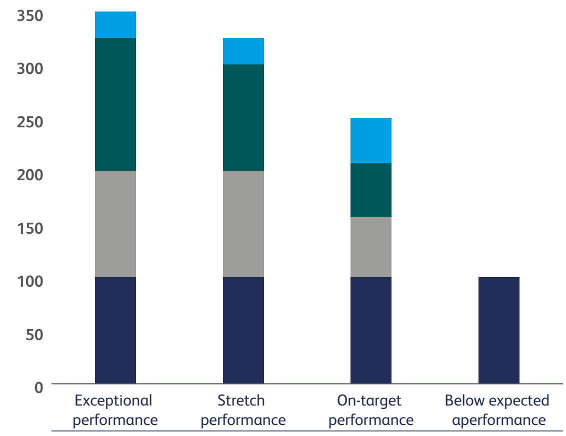
Risk Director and Human Resources Executive (% of TGP)



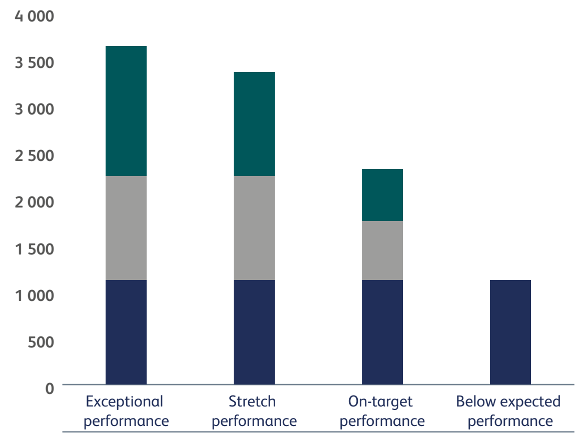
Managing Director – Feed and Agriculture (R'000)



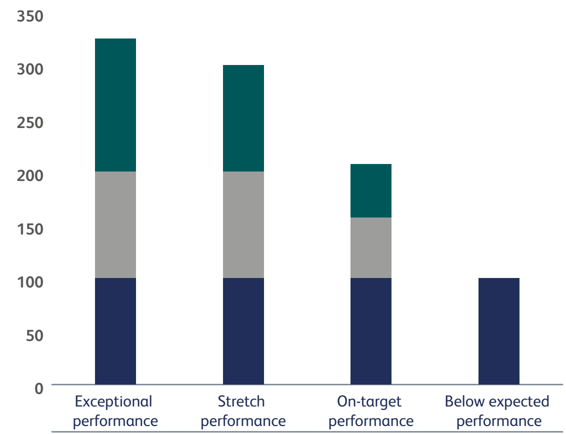
Managing Director – Feed and Agriculture (% of TGP)



Company Secretary (R'000)



Company Secretary (% of TGP)



■ TGP ■ LTI ■ STI ■ TIS

Human Resources, Remuneration and Nominations Committee Report (continued)

3.7 NON-EXECUTIVE DIRECTORS' FEES

The Board enters into formal contracts with all Non-Executive Directors.

The Board applies accountable corporate governance and ethics principles for Non-Executive Director fees and associated market changing trends. Non-Executive Director fee levels are subject to approval by the Board.

The Remco takes cognisance of market norms and practices, as well as the additional responsibilities placed on Board members by legislation, environmental, social and governance matters in terms of strategy, market capitalisation, JSE peer comparator benchmarks, Agri-sector competitor analysis, level of competence required and time commitments required. Astral's policy on fees for Non-Executive Directors determines that it should be:

- market related (having regard to the median fees paid and number of meetings attended by Non-Executive Directors of companies of similar size and structure to Astral and operating in similar sectors);
- ranging between the median and upper quartile of comparator companies of the JSE;
- at a fair and competitive level at which we can attract, retain and appropriately compensate diverse and suitably experienced Non-Executive Directors; and
- not linked to share price or Astral's performance.

Non-Executive Directors' fees are based on benchmarking done by independent advisors. The fees for Non-Executive Directors exclude VAT and are recommended by the Remco for approval by the Board and at the AGM on 30 January 2025 as required in terms of the Companies Act. Fees for the year were reviewed by the Remco and will be presented for approval at the AGM on 30 January 2025.

Shareholders will be required to vote on the Non-Executive Directors' fees, set out in the Notice of AGM on page 3, at the January 2025 AGM. For information regarding fees for acting as Non-Executive Director and member of the various Board committees, refer to the Corporate Governance Report on page 91.

The Company pays for travel, board and lodging expenses incurred by Non-Executive Directors to attend Board and committee meetings and visits to Company operations and businesses.

Astral's Non-Executive Directors do not receive incentive bonuses or share options. It is recognised that this could create potential conflict of interests that can impair independence expected from Non-Executive Directors in making Board decisions.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PART 4: IMPLEMENTATION OF THE REMUNERATION POLICY

4.1 INTRODUCTION

This section of the report deals with Remuneration Policy implementation. It provides details of remuneration paid to executive management and Non-Executive Directors for the financial year. The Remco continuously assesses remuneration implementation compliance in terms of transparent and responsible governance reporting. This ensures alignment with the strategic objectives of stakeholders with the Remuneration Policy.

4.2 TGP ADJUSTMENTS

The TGPs of Executive Directors and Prescribed Officers as base pay were reviewed with adjustments referenced to inflation.

In an endeavour to ensure fair and competitive remuneration for all employees and to assist Astral in narrowing the pay gap, Astral continues to award higher annual adjustments to lower earning employees than to the higher earning members (e.g. senior and executive management).

TGP adjustments for the different employment categories as stated in note 32 of the Annual Financial Statements (for 1 October 2023 to 30 September 2024 period) were implemented as follows:

Description	**TGP % Adjustments 1 October 2024**	TGP % Adjustments 1 October 2023
Executive Directors		
CEO	**5.0%**	Nil %[1]
CFO	**5.0%**	5.50%
COO	**5.0%**	5.50%
Managing Director: Commercial	**5.0%**	5.50%
Prescribed Officers		
Managing Director: Feed	**5.0%**	5.50%
Director Risk	**6.0%**	5.50%
Human Resources Executive	**6.0%**	5.50%
Company Secretary	**6.0%**	5.50%
Senior and middle management		
E-band management	**6.0%**	5.75%
D-band management	**6.0%**	6.00%
Supervisory and other		
C-band employees	**6.0%**	6.25%
A to B-band employees	**6.5%**	6.25%

1. *Mr Schutte declined the 1 October 2023 annual increase approved by the Remco.*

Human Resources, Remuneration and Nominations Committee Report (continued)

4.3 SHORT-TERM INCENTIVES (STI) 2024

STI bonuses for Executive Directors and Prescribed Officers are based on EVA performance targets achieved for the financial year. The EVA graphs on pages 111 and 112 are illustrative of the trends of payments over the past years.

Level	2024 STI R'000	STI as % of TGP	2023 STI R'000	STI as % of TGP
Executive Directors				
CE Schutte	**5 980**	**63%**	Nil	0 %
JAI Ferreira	**2 947**	**59%**	Nil	0 %
GD Arnold	**3 111**	**59%**	Nil	0 %
FG van Heerden	**2 620**	**59%**	Nil	0 %
Prescribed Officers				
E Potgieter	**1 692**	**49%**	Nil	0 %
G Jordaan	**1 692**	**49%**	Nil	0 %
MJ Schmitz	**2 620**	**59%**	Nil	0 %
L Marupen	**439**	**45%**	Nil	0 %

4.4 LONG-TERM INCENTIVES (LTI) 2024

In 2024, the Group utilised a combination of deferred cash (LRP) and restricted share (FSP) as part of the LTI Policy.

Multi-year performance and reward cycles for implementing LTI

Description	Period	Period	Period	Period
Date of allocation	October 2021[1]	October 2022[2]	October 2023[3]	October 2024[4]
Vesting date	September 2024	September 2025	September 2026	September 2027
Payment date	December 2024	December 2025	December 2026	December 2027

1. *Closed tranche, vested at 34% of performance criteria achieved.*
2. *Open tranche, in third year of performance cycle.*
3. *Open tranche, in second year of performance measuring cycle.*
4. *Open tranche, in first year of performance measuring cycle.*

4.4.1 The 1 October 2021 LTIs allocated have vested as follows (for the measuring period ending 30 September 2024):

Performance conditions	Weight	Performance criteria achieved during FY2024	
HEPS	33 %	**Nil**	**(criteria were not achieved)**
PEF	34 %	**34%**	**(100% achieved)**
RONA[4]	33 %	**Nil**	**(criteria were not achieved)**
Total	100 %	**34%**	**(criteria were partially achieved)**

a) *Additional: Refer to pages 112 to 117 of the Remuneration Policy for further details.*
b) *Annual growth in HEPS is averaged over 36 months.*
c) *PEF achieved by Astral is benchmarked against international standards as per Turkish Middle East and Africa (TMEA) comparators and falls within the top 25% of that comparator. The actual PEF achieved is considered to be of strategic importance to Astral and accordingly considered confidential.*
d) *Please refer to page 113 of the Integrated Report for LTI vesting conditions, LTI weightings and performance targets.*

4.4.2 LTI's allocated to Executive Directors and Prescribed Officers are as follows:

	LTI allocations					
	Rand value of LRP (Cash component) R'000			Rand value of FSP (Share component) R'000		
	Allocation date					
Description	October 2021	October 2022	**October 2023**	October 2021	October 2022	**October 2023**
CE Schutte	Nil	7 716	**Nil**	12 189 *(shares: 72 837)*	5 144 *(shares: 30 523)*	**12 860** ***(shares: 80 416)***
JAI Ferreira	Nil	3 561	**3 005**	Nil	1 187 *(shares: 7 042)*	**3 005** ***(shares: 18 792)***
GD Arnold	2 850	4 510	**3 172**	2 850 *(shares: 17 030)*	1 503 *(shares: 8 920)*	**3 172** ***(shares: 19 836)***
FG van Heerden	2 400	3 798	**2 671**	2 400 *(shares: 14 340)*	1 266 *(shares: 7 511)*	**2 671** ***(shares: 16 704)***
MJ Schmitz	2 400	3 798	**2 671**	2 400 *(shares: 14 340)*	1 266 *(shares: 7 511)*	**2 671** ***(shares: 16 704)***
E Potgieter	1 550	2 453	**1 725**	1 550 *(shares: 9 262)*	818 *(shares: 4 851)*	**1 725** ***(shares: 10 788)***
G Jordaan	1 550	2 453	**1 725**	1 550 *(shares: 9 262)*	818 *(shares: 4 851)*	**1 725** ***(shares: 10 788)***
L Marupen	500	795	**559**	500 *(shares: 2 988)*	265 *(shares: 1 572)*	**559** ***(shares: 3 496)***

	LTI					
	LTI vested and expected future benefit					
	LRP (Cash component) R'000			FSP (Share component) No of shares		
	Vesting date					
Description	September 2024[1] (2021 allocation)	September 2025[2] (2022 allocation)	**September 2026[2] (2023 allocation)**	December 2024[1] (2021 allocation)	December 2025[2] (2022 allocation)	**December 2026[2] (2023 allocation)**
CE Schutte	Nil	2 623	**Nil**	24 765	8 072	**10 662**
JAI Ferreira	Nil	1 211	**3 005**	–	2 394	**18 792**
GD Arnold	969	1 533	**3 172**	5 790	3 033	**19 836**
FG van Heerden	816	1 291	**2 671**	4 876	2 554	**16 704**
MJ Schmitz	816	1 291	**2 671**	4 876	2 554	**16 704**
E Potgieter	527	834	**1 725**	3 149	1 649	**10 788**
G Jordaan	527	834	**1 725**	3 149	1 649	**10 788**
L Marupen	170	270	**559**	1 016	534	**3 496**

* *LRP and FSP vested as per the LTI policy. FSP (restricted shares) purchased vests on the 36-month anniversary date. LRP allocations vests on 30 September annually and is payable in December annually.*

1. *The 2021 allocation vested at 34% due to the performance hurdles for RONA and HEPS not achieved.*
2. *Allocated amounts only. Award quantum will be based on the vesting date and vesting conditions achieved, actual award quantum to be calculated on completion of the specific LTI period.*

Human Resources, Remuneration and Nominations Committee Report (continued)

4.5 TURNAROUND INCENTIVE SCHEME (TIS) 2024

A major area of the Remco's focus this year was the implementation of the Turnaround Incentive Scheme (TIS). This interim scheme was introduced in the context of rebuilding the Group's FY2023 financial position after being severely weakened by the impact of loadshedding and bird flu (R2.1 billion unplanned costs) during FY2023. Selected staff (TIS bonus pool) is rewarded through generating operating free cash flow (OFCF) over a 24-month period to 30 September 2025.

In terms of the policy, 20% of the amount in excess of the minimum OFCF performance thresholds is available for incentive bonus payments. The TIS bonus pool calculation is based on a sliding scale in terms of the OFCF thresholds achieved and the individual maximum earnings caps applied. The TIS is a self-funded scheme.

4.5.1 The TIS performance criteria for the FY2024 were as follow:

Description	Minimum R'million	Stretched R'million	Exceptional R'million
OFCF threshold target	≥400 – ≤ 450	≥451 – ≤ 500	≥500
Incentive pool %	10%	15%	20%
Max TIS pool Rand value	Nil to 5	5 + 7.5 = 12.5	12.5 + 20%
TIS pool calculated			63.0
TIS pool awarded[1]			49.3

1. *The TIS pool awarded is less than the TIS pool generated due to safety net conditions applied (being the maximum award quantum per individual participant and LTI vesting Rand awards deducted, see TIS Policy on* *pages 117 to 118**).*

4.5.2 Awards paid under the TIS:

Level	2024 TIS R'000	TIS as % of TGP	Performance hurdle achieved	Maximum earnings potential
Executive Directors				
CE Schutte	10 816	114%	Exceptional	160%
JAI Ferreira[1]	7 513	150%	Exceptional	150%
GD Arnold	6 015	114%	Exceptional	150%
FG van Heerden	5 043	114%	Exceptional	150%
Prescribed Officers				
E Potgieter	3 265	95%	Exceptional	125%
G Jordaan	3 268	95%	Exceptional	125%
MJ Schmitz	5 037	113%	Exceptional	125%
Others (3 x elected senior management)	8 332	95%	Exceptional	125%

1. *Maximum TIS Rand award achieved with no deduction of LTI due to nil LTI allocation for the 2021 – 2024 period. LTI award quantums are deducted from the TIS award for purpose of the calculation.*

4.6 TOTAL REMUNERATION

The total remuneration earned by Executive Directors and Prescribed Officers for 2024 and 2023 was as follows:

		Rand Value							Restricted shares trading
Name	Year	TGP[1] R'000	STI[2] R'000	LTI[3] R'000	TIS[4] R'000	Other[5] R'000	FSP vested[6] R'000	Total R'000	No of restricted shares vesting[7]
CE Schutte	**2024**	**9 526**	**5 980**	**Nil**	**10 816**	**24**	**4 426**	**30 772**	**24 765**
	2023	9 526	Nil	5 603	n/a	151	Nil	15 280	27 672
JAI Ferreira	**2024**	**5 009**	**2 948**	**n/a**	**7 513**	**37**	**n/a**	**15 507**	**Nil**
	2023	4 748	Nil	n/a	n/a	85	n/a	4 833	Nil
GD Arnold	**2024**	**5 287**	**3 112**	**969**	**6 015**	**41**	**946**	**16 370**	**5 790**
	2023	5 011	Nil	2 046	n/a	106	Nil	7 163	5 917
FG van Heerden	**2024**	**4 452**	**2 620**	**816**	**5 043**	**77**	**820**	**13 828**	**4 876**
	2023	4 220	Nil	734	n/a	138	Nil	5 092	5 124
E Potgieter	**2024**	**3 450**	**1 692**	**527**	**3 265**	**77**	**521**	**9 532**	**3 149**
	2023	3 271	Nil	1 127	n/a	102	Nil	4 500	3 258
G Jordaan	**2024**	**3 450**	**1 692**	**527**	**3 268**	**86**	**518**	**9 541**	**3 149**
	2023	3 271	Nil	1 120	n/a	86	Nil	4 477	3 238
MJ Schmitz	**2024**	**4 452**	**2 620**	**816**	**5 037**	**44**	**826**	**13 795**	**4 876**
	2023	4 220	Nil	1 693	n/a	74	Nil	5 987	5 161
L Marupen	**2024**	**1 118**	**439**	**170**	**Nil**	**54**	**168**	**1 949**	**1 016**
	2023	1 060	Nil	150	n/a	67	Nil	1 277	1 049
Total	**2024**	**36 745**	**21 107**	**3 825**	**40 956**	**44**	**8 224**	**111 294**	**47 621**
	2023	35 327	Nil	3 402	n/a	809	9 071	48 609	51 419

1. *TGP includes basic salary, retirement fund and medical aid contributions.*
2. *The 2024 STI award based on the EVA performance targets achieved for the 2024 financial year.*
3. *The 2024 LRP (deferred cash) amount awarded based on vesting conditions achieved for the 2021 – 2024 LTI period. The 2021 LRP (deferred cash) amount awarded based on vesting conditions achieved for the 2021 – 2024 LTI period. LRP and FSP amounts allocated vested at 34% for the 2021 allocations made.*
4. *Payment for the interim Turnaround Incentive Scheme introduced for FY2024.*
5. *Other includes the variable portion of traveling allowance, long service awards annual leave payments.*
6. *The Rand value of the restricted shares that vest is based on the quantum of shares vesting at the share strike price on the day of vesting. The Rand value of the restricted shares that vested in December 2024.*
7. *Restricted shares allocated in December 2021, vesting on the 36-month anniversary date in December 2024. The quantum of shares awarded is subject to the performance criteria achieved (being 34% for the 2021 – 2024 LTI period).*

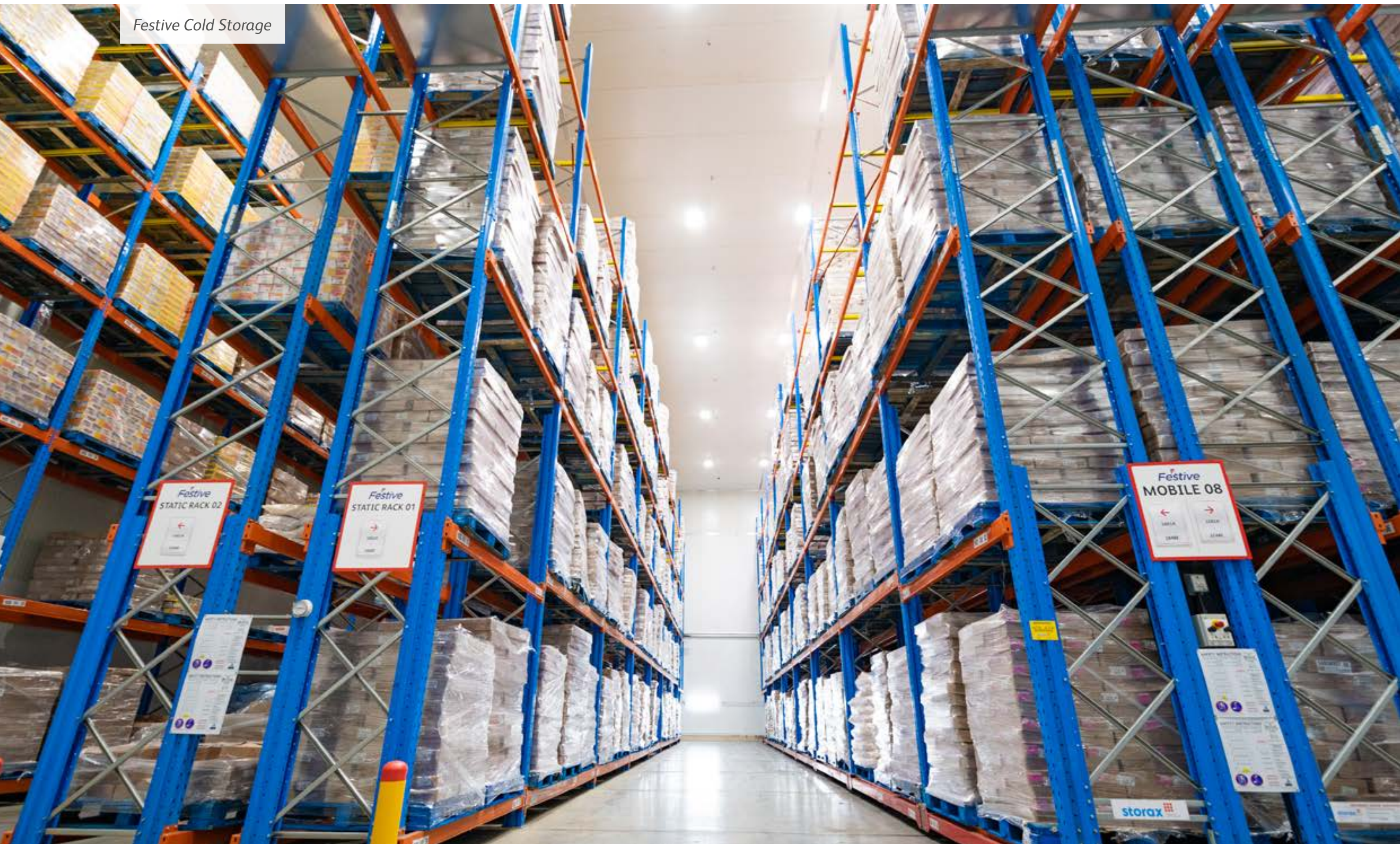
Human Resources, Remuneration and Nominations Committee Report (continued)

4.7 SHAREHOLDING

Total shareholding (being the total quantum of shares and restricted shares) for Executive Directors and Prescribed Officers:

Description	Total quantum of shares at 1 October 2024	Rand value of total quantum of shares at 1 October 2024[1] R'000	% shareholding of TGP at 1 October 2024	% shareholding of TGP required as per policy[2]
Executive Directors				
CE Schutte	285 858	54 044	540%	200%
JAI Ferreira	25 834	4 884	93%	150%
GD Arnold	66 786	12 626	227%	150%
FG van Heerden	44 130	8 343	187%	150%
Prescribed Officers				
MJ Schmitz	41 834	7 909	169%	150%
G Jordaan	32 133	6 075	166%	130%
E Potgieter	32 270	6 100	166%	130%
Total	528 845	99 981		

1. *Rand value as per the market trading value on 30 September 2024.*
2. *Scheme participants have 60 months to achieve the minimum shareholding requirement introduced on 1 October 2023.*



Festive Cold Storage

4.8 NON-EXECUTIVE DIRECTORS' FEES

The participation of Non-Executive Directors in the Group is essential to Astral achieving its strategic objectives. Non-Executive Directors' annual fees are recommended by the Remco with this in mind.

Non-Executive Director fee reviews are subject to independent external benchmarking as governed by the Remuneration Policy. Such a benchmarking exercise considers comparative JSE-listed companies' information and the relative size, scale and complexity with Astral.

In terms of Astral's MoI, Non-Executive Directors' fees are approved by the shareholders at the AGM. The current fee level reflects a zero increase at the February 2024 AGM and a below inflation of 4.5 % year-on-year adjustment approved by the shareholders at the AGM in February 2023.

The annual adjustment that will be requested for approval from the shareholders at the AGM in January 2025 will be based upon the considerations as set out in the Notice of AGM on page 3.

Fees paid to Non-Executive Directors in FY2024 were as follows:

Name	T Eloff R'000	DJ Fouché R'000	TM Shabangu R'000	S Mayet R'000	WF Potgieter R'000	AD Cupido R'000
Chairman	565	–	–	–	–	–
Lead Independent	–	249	–	–	–	–
Board Member	393	393	393	393	393	393
Audit and Risk Management Committee Chairman	–	319	–	–	–	–
Audit and Risk Management Committee Member	–	–	166	166	–	–
Human Resources, Remuneration and Nominations Committee Chairman	–	–	–	–	212	–
Human Resources, Remuneration and Nominations Committee Member	120	120	–	–	–	–
Social and Ethics Committee Chairman	–	–	188	–	–	–
Social and Ethics Committee Member	112	–	–	–	–	–
ESG Committee Chairman	–	–	–	–	–	188
ESG Committee Member	112	–	112	–	–	–
Total[1]	1 302	1 081	859	559	605	581

1. *Because of the financial situation of the Group at the time, Non-Executive Directors declined an increase in annual fee adjustments for FY2024.*

Human Resources, Remuneration and Nominations Committee Report (continued)

SECTION 3: NOMINATIONS COMMITTEE

The Nominations Committee concluded a number of key activities during the year:

- The Nominations Committee facilitate the transition process with Mr Schutte following his request for early retirement due to personal circumstance. The Nominations Committee and the Board approved his request.
- The Nominations Committee and Mr Schutte entered into a 12-month fixed term contract of employment (for the period 1 February 2025 to 31 January 2026). Mr Schutte is employed as a Strategic Consultant in this role and will assist with the transition process for the incoming CEO, as well as strategic matters.
- The Nominations Committee and Mr Schutte entered into a restraint of trade agreement for a 24-month period (being 1 February 2025 to 31 January 2027).
- The Nominations Committee facilitated the recruitment and selection process for the incoming CEO during FY2024. The committee is satisfied that a robust process was followed to review internal and external candidates.
- Subsequent to this, Mr Gary Arnold was appointed as CEO effective 1 February 2025 (as per the SENS announcement on 14 November 2024).
- The Nominations Committee appointed 21st Century Reward and Advisory Services to facilitate a Board performance review process. Feedback regarding this will be provided at the AGM on 30 January 2025.

Goldi Standerton

FINANCIAL STATEMENTS

Chief Financial Officer's Report

Introduction

As we contemplate on the past year, it is clear that 2024's financial results are testimony to the Group's resilience and that we have shown a remarkable recovery for the year under review. 2023 presented significant challenges and substantial losses for Astral, due to loadshedding and bird flu costing the Group R2.1 billion. The Group overcame the effects of loadshedding towards the latter part of the prior financial year but the high costs of running base-load generators remained. Fortunately, loadshedding seems to have come to an end in March 2024. Furthermore, Astral experienced no outbreak of the dreaded HPAI virus during this financial year. Our financial performance has rebounded, albeit with some cost 'hang-over' from the bird flu incurred in the first half of the current financial year.

We remain committed to transparency and accountability as we continue to build on this positive momentum, macroeconomics and weather permitting.

Financial results

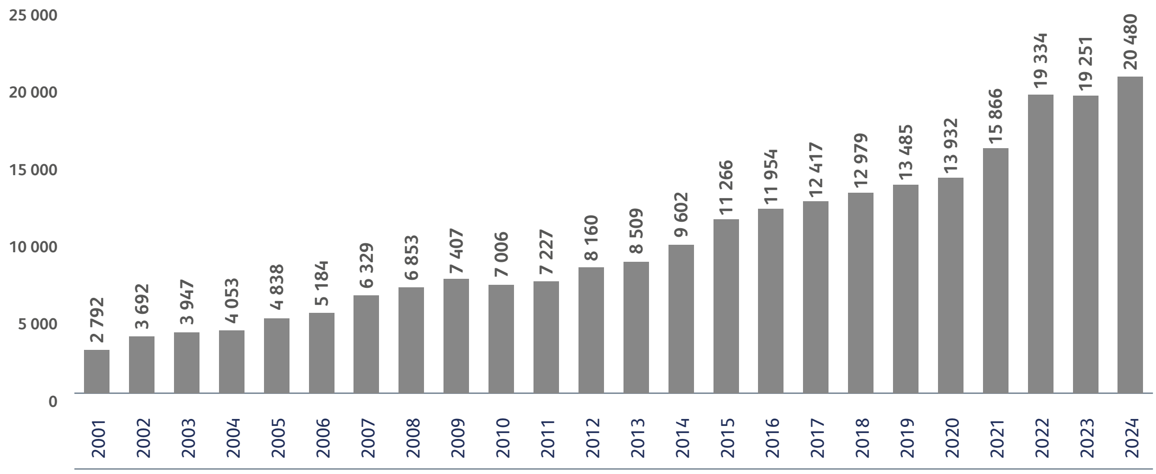
Continuing operations	2024 R'million	2023 Restated R'million	Change %
Revenue	**20 480**	19 251	6.4
Cost of sales	**(16 989)**	(17 719)	(4.1)
Gross profit	**3 491**	1 532	127.9
Total expenses	**(2 366)**	(2 153)	9.9
Operating profit/(loss) (PBIT)	**1 125**	(621)	281.2
Operating profit/(loss) margin	**5.5%**	(3.2 %)	
Net finance costs	**(101)**	(76)	32.9
Tax (expense)/income	**(271)**	185	(246.5)
Profit/(loss) for the year	**753**	(512)	247.1

Summarised Balance Sheet

	2024 R'million	2023 R'million	Change %
Non-current assets	**3 461**	3 665	(5.6)
Current assets (excluding cash)	**4 898**	4 732	3.5
Total assets (excluding cash)	**8 359**	8 397	(0.5)
Non-current liabilities (excluding leases)	**(824)**	(623)	32.3
Current liabilities (excluding borrowings and leases)	**(2 588)**	(2 452)	5.5
Lease liabilities (current and non-current)	**(183)**	(272)	(32.7)
Invested capital	**4 764**	5 050	8.2
Financed by:			
– Net debt	**(12)**	(1 031)	(98.8)
– Equity	**4 752**	4 019	18.2

Revenue reported for the year ended 30 September 2024 was R20.5 billion, an increase of 6.4 % compared to the prior year at R19.3 billion. The Poultry Division contributed 82.6 % (2023: 81.5 %) and the Feed Division 17.4 % (2023: 18.5 %) to total external revenue. The increase in revenue was primarily attributable to the recovery by the Poultry Division from a loss-making position to a profit for 2024.

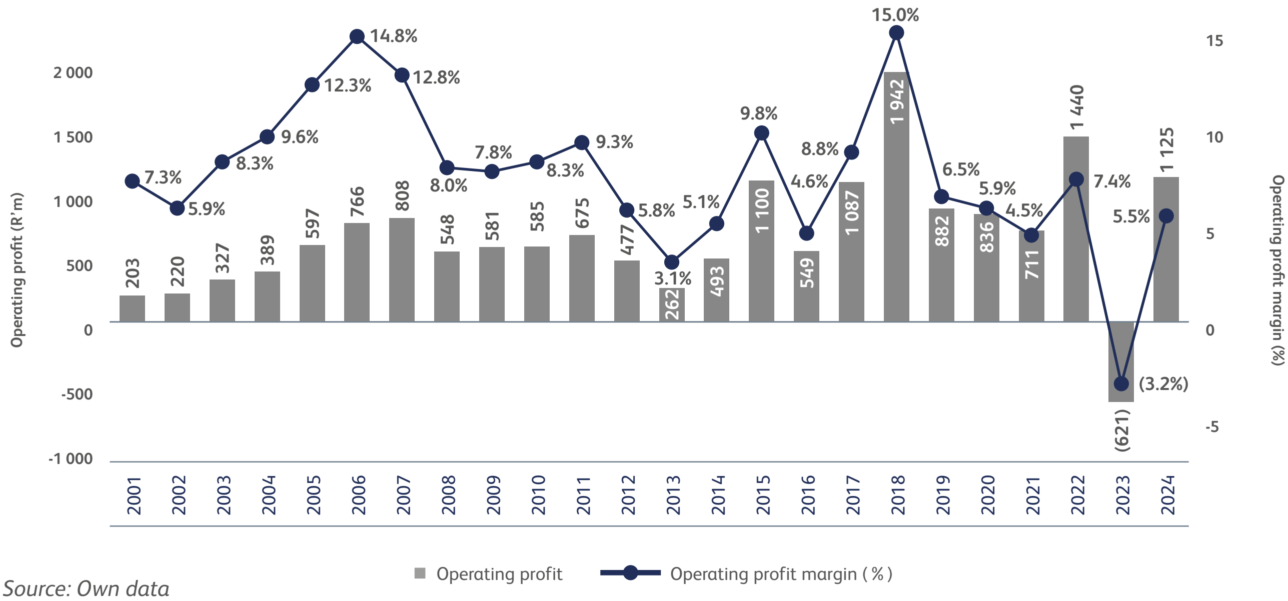
Revenue (R'million)



Source: Own data

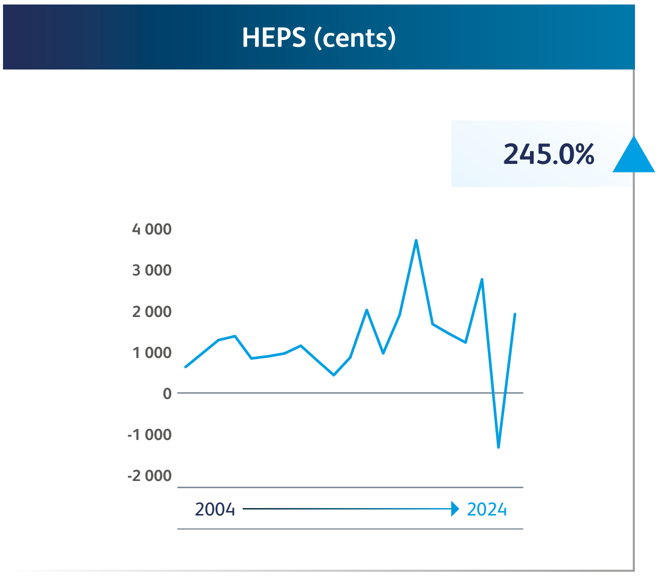
An operating profit of R1 125 million was reported compared to an operating loss of R621 million in the previous year, an increase of 281.2 %, mainly as a result of the absence of loadshedding and bird flu related costs during the year. The operating margin increased from a loss of 3.2 % (2023) to a profit of 5.5 %.

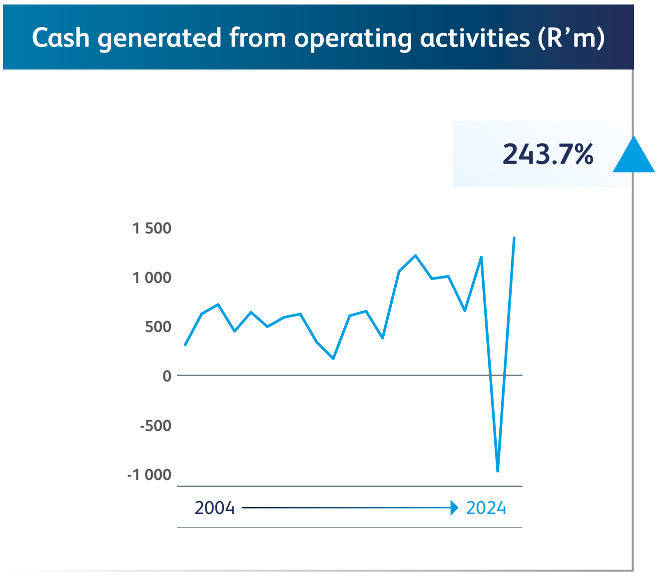
Operating profit/(loss) (R'million)

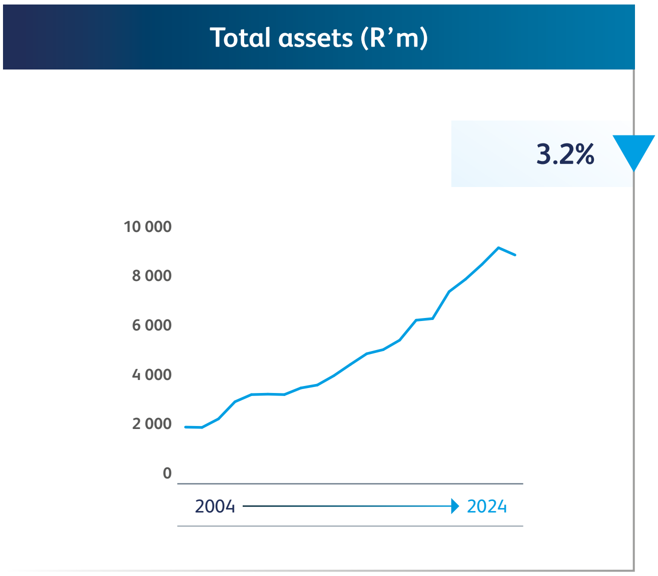


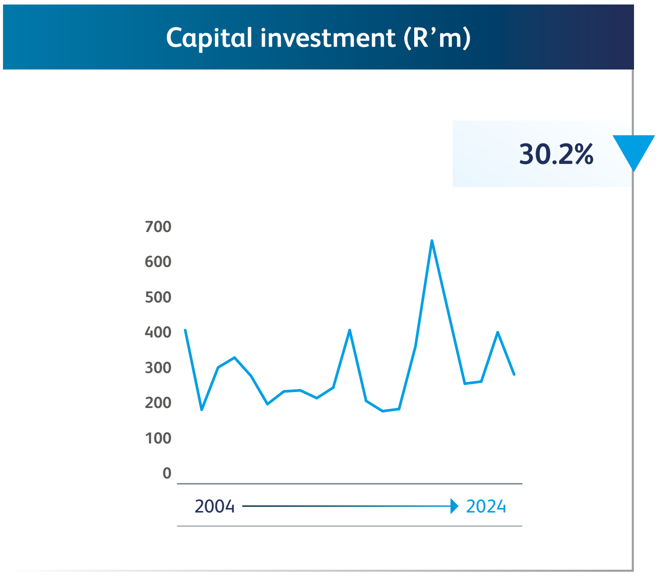
Source: Own data

Chief Financial Officer’s Report (continued)









Headline earnings per share increased by 245.1 % to 1 920 cents (2023: a loss of 1 324 cents).

Capital expenditure for the financial year was contained whilst rebuilding the Balance Sheet, and amounted to R278 million (2023: R398 million) being 30.2 % lower. Major capex for the installation of generators and water supply contingencies amounting to R168 million, was spent in the prior year.

Net working capital increased by R222 million mainly as result of the repopulation programme of broiler breeders, following the bird flu pandemic of 2023 (increasing by R203 million). In addition, the recovery of revenue volumes which boosted the accounts receivable balance by R304 million, as trading normalised post the loadshedding disruptions. Lower inventory levels generated a cash inflow of R374 million, supporting the Balance Sheet rebuild.

The Group reported a R1 095 million net cash inflow (before repaying a R600 million working capital loan from ABSA bank) during the year (2023: R1 729 million outflow before raising R600 million from ABSA against working capital funding). Cash generated from operating activities amounted to a net inflow of R1 395 million (2023: R971 million outflow).

Solvency and liquidity

The Group's Balance Sheet reflects a strong recovery, after all overdraft funding was cleared as at 30 September 2024 (2023: Net overdraft R1 031 million). The Group's banking facilities are unsecured and do not have any covenant requirements. These have been renegotiated with a long-dated notice period locked in with the banks.

The turnaround intervention with Project 3R our "Re-set, Re-focus, Re-start" project has proven successful with all of the controllable metrics performing well.

I would like to thank the banks for their assistance in what was a very trying 2023.

Dividend

The Board has declared a final dividend per share of 520 cents for the financial year ended 30 September 2024. No interim dividend was declared.

Outlook

The outlook for the financial year ending 30 September 2025, market conditions dependent, should be positive. One of our top-rated business risk remains unmitigated as we are still awaiting Government's approval of vaccinations against bird flu, whilst we cannot obtain any insurance against a possible bird flu catastrophe as this is globally no longer an insurable event. The Group's Balance Sheet has been rebuilt to the extent that all debt is eliminated. The Group will continue to rebuild the Balance Sheet to ensure it reflects sufficient cash resources. This will enable us to absorb any adverse outcomes that the volatile operating environment may present in the year ahead.

Our primary objective is to consistently achieve a return on net assets that surpasses our cost of capital. This metric is a key indicator of our success, reflecting our ability to create value for all stakeholders. By focusing on stringent cost management and improving efficiencies, we aim to generate sustainable wealth and ensure long-term growth and profitability for all of Astral's stakeholders.

Appreciation

I would like to extend my deepest gratitude to the finance teams from each of our Divisions, along with the Human Resources Manager, IT Manager, and Company Secretary. Your unwavering dedication and commitment to delivering the Integrated Report with precision and timeliness is commendable. The Board and I highly value your support and hard work. Thank you for your exceptional contributions.

Dries Ferreira
Chief Financial Officer

13 November 2024

Financial Ratios and Statistics

For the year ended 30 September		2024	2023	2022	2021	2020	2019	2018	2017	2016
Profit information										
Revenue[1]	R'm	**20 480**	19 251	19 334	15 866	13 932	13 485	12 979	12 417	11 954
EBITDA[1]	R'm	**1 209**	(316)	1 741	1 133	1 216	1 059	2 093	1 235	693
EBITDA margin	%	**5.9**	(1.6)	9.0	7.1	8.7	7.8	16.1	9.9	5.8
Operating profit/(loss)[1]	R'm	**1 125**	(621)	1 440	711	813	882	1 942	1 086	549
Operating profit/(loss) margin	%	**5.5**	(3.2)	7.4	4.5	5.8	6.5	15.0	8.7	4.6
Profit/(loss) after tax	R'm	**753**	(512)	1 071	474	561	648	1 431	761	372
Headline earnings/(loss)	R'm	**738**	(508)	1 061	472	558	650	1 439	736	373
Financial position										
Total assets	R'm	**9 098**	9 110	8 438	7 835	7 331	6 239	6 174	5 364	4 979
Total equity	R'm	**4 752**	4 019	4 786	4 161	4 122	3 796	3 737	3 039	2 373
Total liabilities	R'm	**4 345**	5 091	2 516	3 674	3 209	2 443	2 437	2 325	2 607
Net assets	R'm	**4 730**	5 450	5 055	6 055	4 153	3 789	3 443	2 935	3 060
NAV per share	Rand	**122.38**	103.51	123.25	107.15	106.15	102.39	96.23	78.26	61.11
Asset management										
Return on total assets	%	**12.4**	(7.1)	17.8	9.7	12.4	14.2	33.8	21.0	11.3
Return on equity	%	**17.2**	(12.6)	23.9	11.4	14.1	17.1	42.4	28.0	15.8
RONA	%	**23.8**	(11.4)	28.5	15.1	19.6	24.4	60.9	36.0	18.6
Net asset turn	%	**4.3**	3.5	3.8	3.3	3.3	3.7	4.1	4.1	4.1
Shareholders' ratios										
EPS	cents	**1 959**	(1 333)	2 781	1 225	1 435	1 659	3 691	1 948	964
HEPS	cents	**1 920**	(1 324)	2 762	1 228	1 441	1 674	3 712	1 899	965
Dividend per share	cents	**520**	–	1 380	700	775	900	2 050	1 055	490
Dividend cover*	times	**3.7**	–	2.0	1.8	1.9	1.9	1.8	1.8	2.0
Stock exchange statistics										
Market value per share										
– At year-end	cents	**18 906**	13 700	19 318	17 643	13 153	14 700	24 658	17 208	11 775
– Highest	cents	**19 170**	20 549	22 166	18 530	22 252	25 908	33 519	17 634	18 490
– Lowest	cents	**13 130**	13 176	13 234	11 079	12 029	14 300	16 850	11 600	8 820
Closing dividend yield	%	**2.6**	–	7.1	4.0	5.9	6.1	8.3	6.1	4.2
Closing earnings yield*	%	**10.2**	(9.7)	14.3	7.0	11.0	11.4	15.1	11.0	8.2
Closing PE ratio	times	**9.8**	(10.4)	7.0	14.4	9.1	8.9	6.7	8.8	12.2
Shares in issue	'000	**42 922**	42 922	42 922	42 922	42 922	42 922	52 887	42 841	42 775
Shares in issue less treasury shares	'000	**38 437**	38 464	38 397	38 834	38 834	38 799	38 799	38 752	38 686
Number of shares traded	R'000	**25 996**	42 390	32 262	35 179	43 755	41 970	47 981	32 276	34 453
Number of shares traded as % of issued shares	%	**61**	99	75	82	102	90	124	83	81
Value of shares traded	R'm	**4 009**	6 826	5 744	4 896	7 517	7 159	12 586	4 697	4 277
Market capitalisation based on shares in issue	R'm	**8 115**	5 880	8 292	7 573	5 646		6 310	10 575	7 372
Market capitalisation based on shares in issue less treasury shares	R'm	**7 337**	5 329	7 502	6 851	5 108	5 703	9 567	6 668	4 555

1. *Continuing operations*
* *Based on HEPS*

Group Company Secretary Certificate

In terms of Section 88(2)(e) of the Companies Act, I certify that, to the best of my knowledge and belief, Astral has, in respect of the financial year ended 30 September 2024, lodged with CIPC all returns and notices required of a public company in terms of the Companies Act and that all such returns and notices are true, correct and up to date.

Leonie Marupen
Group Company Secretary

Chief Executive Officer and Chief Financial Officer's Responsibility Statement

In terms of Section 3.84(k) of the Listings Requirements, each of the directors, whose names are stated on pages 14 to 17, hereby confirm that:

a) the Annual Financial Statements set out on pages 148 to 206, fairly present in all material respects the financial position, financial performance and cash flows of the issuer in terms of IFRS;
b) to the best of our knowledge and belief, no facts have been omitted or untrue statements made that would make the Annual Financial Statements false or misleading;
c) internal financial controls have been put in place to ensure that material information relating to the issuer and its consolidated subsidiaries have been provided to effectively prepare the Financial Statements of the issuer;
d) the internal financial controls are adequate and effective and can be relied upon in compiling the Annual Financial Statements, having fulfilled our role and function as Executive Directors with primary responsibility for implementation and execution of controls;
e) where we are not satisfied, we have disclosed to the Audit and Risk Management Committee and the auditors any deficiencies in design and operational effectiveness of the internal financial controls and have taken steps to remedy the deficiencies; and
f) we are not aware of any fraud involving directors.

CE Schutte
Chief Executive Officer

JAI Ferreira
Chief Financial Officer

13 November 2024

Preparation and Publication of the Annual Financial Statements

The Annual Financial Statements for the year ended 30 September 2024 that were published on 13 November 2024, available on the Group's website www.astralfoods.com as well as contained in this Integrated Report, have been prepared under my supervision.

JAI Ferreira
Chief Financial Officer

13 November 2024

Directors' Responsibilities and Approval

for the year ended 30 September 2024

The Board is required by the Companies Act to maintain adequate accounting records and is responsible for the content and integrity of the Annual Financial Statements of Astral and related financial information included in this Integrated Report and published on the Group's website www.astralfoods.com. It is its responsibility to ensure that the Annual Financial Statements fairly present the financial position of the Company and the Group at the end of the financial year and the results of their operations and cash flows for the year then ended, in conformity with IFRS and the requirements of the Companies Act. The external auditor is engaged to express an independent opinion on the Annual Financial Statements.

The Annual Financial Statements have been audited by the independent accounting firm, Deloitte & Touche, which was given unrestricted access to all financial records and related data, including minutes of all meetings of the shareholders, the directors and its committees. The directors believe that all representations made to the independent auditor during the audit were valid and appropriate.

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

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the Group and place considerable importance on maintaining a strong control environment, including controls over the electronic distribution of Annual Reports and other financial information. To enable the directors to meet this responsibility, the directors set standards for internal control aimed at reducing the risk of error or loss in a cost-effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the Group and all employees are required to maintain the highest ethical standards in ensuring the Group's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the Group is on identifying, assessing, managing and monitoring all known forms of risk across the Group.

While operating risk cannot be fully eliminated, the Group endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

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

The directors have reviewed the Group's cash flow forecast for the year ending 30 September 2025 and, in light of this review and the current financial position, they are satisfied that the Company and Group have or have access to adequate resources to continue in operational existence for the foreseeable future.

The directors of Astral hereby confirm that, to their knowledge, the Company is in compliance with the provisions of the Companies Act or relevant laws of establishment, specifically relating to its incorporation; and that it is operating in conformity with its MoI.

The Annual Financial Statements of the Group and Company, which have been prepared on the going concern basis, were approved by the Board on 13 November 2024 and were signed on its behalf by

CE Schutte
Chief Executive Officer

JAI Ferreira
Chief Financial Officer

Directors' Report

The directors present their report which forms part of the Annual Financial Statements for the year ended 30 September 2024.

Nature of business

The Group holds investments in companies, with their primary activities in animal feed pre-mixes, manufacturing of animal feeds, broiler genetics, the production and sale of day-old broiler chicks and hatching eggs, integrated breeder and broiler production operations, abattoirs and the sale and distribution of various key brands.

Listing information

Astral Foods Limited is listed on the main board of the JSE under the share code: ARL. The Company's ISIN number is ZAE000029757.

Registered address

The Company's registered address is:
Lanseria Corporate Estate, 13 Thunderbolt Lane, Lanseria Ext 26, Gauteng, 1748.

Financial results

The results for the year are set out in the Annual Financial Statements presented on pages 148 to 206 of this Integrated Report. The Annual Financial Statements are also published on the Group's website www.astralfoods.com.

Share capital

Detail of share capital is reflected under note 21 of the Annual Financial Statements.

In terms of the Group's Long-Term Incentive Scheme, 177 524 shares (2023: 166 260 shares) were acquired and disclosed as treasury shares.

Dividends

A final ordinary dividend was declared for the financial year ended 30 September 2024:

	2024 R'000	2023 R'000
Interim dividend: Nil cents per share (2023: Nil cents per share)	–	–
Less: Dividends on treasury shares	–	–
Final dividend: 520 cents per share declared post year-end (2023: Nil cents per share)	223 196	–
Less: Dividends on treasury shares	(21 261)	–
Total dividend at 520 cents per share (2023: Nil cents per share)	201 935	–

Property, vehicles, plant and equipment

Refer to note 11 of the Annual Financial Statements for details.

Directors

The names of the directors who currently hold office are set out in note 32 of the Annual Financial Statements. The directors beneficially and non-beneficially held 437 529 (2023: 379 441) ordinary shares in the Company – see note 33 for details.

During the year under review, no contracts were entered into which directors or officers of Astral had an interest and which would affect the business of the Group.

Details of directors' emoluments and related payments can be found in note 32 of the Annual Financial Statements.

There was no change in the beneficial and non-beneficial shareholding of directors since 30 September 2024 and the date of approval of the Annual Financial Statements on 13 November 2024.

Directors' Report (continued)

Share option incentive scheme
As at 30 September 2024, no options in respect of any shares remained outstanding.

Repurchase of shares
Astral has requested shareholders to grant a general authority to buy back its issued ordinary shares; however, no repurchases were made during the year, except for in terms of the FSP Share Incentive Scheme whereby shares were bought in the market and allocated as restricted shares to the participants in the scheme.

Subsequent events
No events other than those disclosed within note 36 took place between year-end and the date of this Integrated Report that would have a material effect on the Annual Financial Statements as disclosed.

Litigation statement
There are no current, pending or threatened legal or arbitration proceedings that may have, or have had in the previous 12 months, a material effect on the Group's financial position.

Material changes
There have been no material changes in the financial or trading position of the Group between 30 September 2024 and the date of this Integrated Report.

Annual Financial Statements
The Annual Financial Statements for the year ended 30 September 2024 are available for inspection at Astral's registered address. These Annual Financial Statements have been audited in compliance with the requirements of Section 30(2)a of the Companies Act.

Going concern
Performance
Revenue reported for the year ended 30 September 2024 was R20.48 billion, a marginal increase of 6.4% compared to the prior year at R19.25 billion. The Poultry Division contributed 82.6% (2023: 81.5%) and the Feed Division 17.4% (2023: 18.5%) to total external revenue. The marginal increase in revenue was primarily attributable to the solid performance of the Feed Division.

The Group successfully implemented its Reset, Refocus, Restart strategy. delivering an PBIT of R1 124.9 million for the year under review, an increase of 281% (2023: loss of R620.9 million, mainly as a result of the elimination of the impact of loadshedding from the prior year. This resulted in the operating margin recovering to 5.5% (2023: -3.2%).

The Group reported a R495.3 million net cash inflow during the year (2023: outflow of R1 129.3 million outflow). Cash generated from operating activities amounted to a net inflow of R1 394.5 million (2023: R970.8 million outflow).

Solvency and liquidity
As at 30 September 2024, the Consolidated Balance Sheet reflects total equity of R4 752.4 million. The Group managed to settle the majority of its overdraft facilities it utilised at he previous reporting date and closed on 30 September 2024 with a net cash balance of R12.9 million compared to the net debt position of R1 030.7 million at 30 September 2023. The Group's banking facilities do not have any covenant requirements.

Conclusion
On the basis outlined above, the directors consider it appropriate for the going concern basis to be adopted in preparing the Annual Financial Statements.

The Annual Financial Statements of the Group and Company were approved by the directors on 13 November 2024 and were signed on their behalf by

Chris Schutte
Chief Executive Officer

Dries Ferreira
Chief Financial Officer

Audit and Risk Management Committee Report

Dear shareholder,

Our Audit and Risk Management Committee is a formally constituted sub-committee of the Board. In addition to having specific statutory responsibilities to the shareholders in terms of Section 94 of the Companies Act, the committee assists the Board by advising and making submissions on financial reporting, oversight of the risk management process and internal financial controls, external and internal audit functions and statutory and regulatory compliance.

The committee is satisfied that it has fulfilled its responsibilities as detailed in its Mandate and Terms of Reference for the 2024 financial year.

On behalf of the Audit and Risk Management Committee

Diederik Fouché
Chairman

13 November 2024

Constitution and duty of the committee

The Audit and Risk Management Committee (the committee) was appointed by the shareholders at the AGM in February 2024.

The members of the committee are all Independent Non-Executive Directors, and no new members were appointed to the committee during the year. Details of the number of meetings held and attendance by members at meetings are included on page 91 of this Report. The directors of the Company continue to believe that the committee members collectively have the necessary skills to carry out its duties effectively and with due care.

The committee has reporting responsibilities to both the shareholders and the Board and is accountable to them. Its duties, as set out in the Audit and Risk Management Committee Charter, are reviewed annually and incorporate the committee's statutory obligations as set out in the Companies Act and King IV™. A work plan is drawn up annually incorporating all these obligations, and progress is monitored to ensure these obligations are fulfilled.

It is the duty of the committee, among other things, to monitor and review:

- The preparation of the annual financial statements, ensuring fair presentation and compliance with IFRS and the Companies Act, and recommending same to the Board for approval.
- The integrity of the Integrated Report by ensuring that its content is reliable, includes all relevant operational, financial and other non-financial information, risks and other relevant factors.
- Interim and operational reports and all other widely distributed documents.
- Accounting policies of the Group and proposed revisions, significant and unusual transactions, estimates and accounting judgements.
- The effectiveness of the internal control environment.
- The effectiveness of the internal audit function.
- The effectiveness of the external audit function.
- The recommendation and appointment of the external auditor, approving remuneration of external auditor, reviewing the scope of their audit, their reports and findings, and pre-approving all non-audit services in terms of policy.
- The reports of both internal and external auditors.
- The evaluation of the performance of the CFO.
- The adequacy and effectiveness of the Group's enterprise-wide risk management policies, processes and mitigating strategies.
- The governance of IT and the effectiveness of the Group's information systems.
- Determine that the going concern basis of reporting is appropriate.
- The combined assurance model and provide independent oversight of the effectiveness of the organisation's assurance functions and services, with particular focus on combined assurance arrangements.
- Compliance with applicable legislation, requirements of appropriate regulatory authorities and the Company's Code of Conduct.
- Policies and procedures for mitigating fraud.

Audit and Risk Management Committee Report (continued)

Statutory duties

The committee is satisfied that it has performed the statutory requirements for an audit committee as set out in the Companies Act as well as the functions set out in its Mandate and Terms of Reference and that it has therefore complied with its legal, regulatory and other responsibilities.

There were no reportable irregularities.

Risk management

The committee is responsible for reviewing the effectiveness of systems for internal control, financial reporting and financial risk management and considering the major findings of any internal investigations into control weaknesses, fraud or misconduct and management's response thereto. We have considered and relied on the work of the Social and Ethics and ESG Committees on the non-financial related risk areas. Refer to pages 79 to 82 for the Social and Ethics Committee Report as well as pages 66 to 68 for the ESG Committee Report.

We apply an enterprise-wide risk management approach, involving all levels of management, with assistance from outside consultants for assessing insurable risks.

The senior management at each operation is responsible for the development and implementation of a sound risk control programme based on the Group's risk control standards. The integrity of the risk control programme is independently monitored by appointed risk analysts on a regular basis.

During the year, the committee has received assurances that the processes and procedures followed in terms of risk management are adequate to ensure that risks are identified and monitored.

Combined assurance

The committee is of the view that the framework in place for combined assurance is adequate and is achieving the objectives of an integrated approach across the disciplines of risk management and compliance of audit.

Whistle blowing

The committee receives and deals with any concerns or complaints, whether from within or outside the Group, relating to fraud, accounting practices, internal financial controls, and auditing of the Group's financial records/statements and related matters. Further details are provided in the Human Resources, Remuneration and Nominations Committee Report, Section 1, sub-section 8.

Information Technology (IT)

The Board has delegated responsibility for IT to the committee, but it retains overall accountability.

An IT Charter, aligned to King IV™ has been implemented. The IT strategy is reviewed by the committee and by the Board. The IT Charter can be viewed on our website, www.astralfoods.com.

Management has the responsibility for the management of IT and the governance framework which includes:

- An IT Steering Committee for each business segment, and one for the Group, to monitor and manage IT governance.
- IT policies and procedures to regulate the management of all IT functions.
- Relevant standards and processes that are subject to audits, reviews and benchmarks.
- Policies and procedures to govern the active directory and exchange which has been outsourced.
- IT best practices are implemented.

All IT acquisitions fall within the same capital approval processes as other capital expenditure projects and would thus, based on value, be submitted to the Board for approval.

A formalised disaster recovery programme is in place to ensure minimum disruption in the event of disaster.

Periodic independent assurance is obtained on the effectiveness of technology and information, including the outsourced infrastructure.

Internal audit

We have established an independent, objective and effective Internal Audit Department governed by a charter approved by the Board. The internal audit function reports to the CEO and has unfettered access to the Chairman of the Board and the Chairman of the Audit and Risk Management Committee.

The role of internal audit is to review compliance with internal controls, systems and procedures. The Board is satisfied that the internal controls are adequate to safeguard the assets, prevent and detect errors and fraud, ensure the accuracy and completeness of accounting records and the preparation of reliable Annual Financial Statements.

The Internal Audit Department is staffed by qualified and experienced internal auditors. The annual internal audit programme is approved by the committee and all significant findings, together with steps taken to rectify lapses in internal control, are reported at every committee meeting.

The internal audit function is reviewed by the committee to satisfy itself of the independence of the Internal Audit Department. The appointment and removal of the Head of Internal Audit is a matter for the committee in consultation with management.

External audit

Based on processes followed and assurances received, the committee has no concerns regarding the external auditor's independence and approved the following fees for work done by them:

	2024 R'000	2023 R'000
Audit fees	**9 700**	9 310
Non-audit services	**552**	204
General expenses	**450**	42
Underprovision	**–**	312
Total	**10 702**	9 868

Any non-audit services to be rendered by the external auditor are normally initiated by the business units following a formal process that is approved by the CFO. A formal policy regarding the pre-approval of non-audit services is followed. Non-audit services performed during the financial year included:

Division	Non-audit services	Nature
Astral Operations Ltd	Engagement on bonus calculations FY2024	Agreed upon procedures
Astral Operations Ltd	Engagement on the transfer of property in Pietermaritzburg	Agreed upon procedures
Astral Operations Ltd	GRH reporting and Carbon Tax	Tax consulting
Astral Operations Ltd	Tip Off's anonymous hotline	Other services

Astral's Board has appointed Deloitte & Touche as the External Auditor of Astral, with effect from the financial year that started on 1 October 2023. There was a comprehensive and seamless transition process from PwC to Deloitte & Touche.

The committee, after discussion with management and external audit, concurred with the key audit matters set out in the Independent Auditor's Report on the audit of the Consolidated and Separate Annual Financial Statements for the year ended 30 September 2024.

The committee confirms that it has received from the auditor all decision letters/explanations issued by the Independent Regulatory Board for Auditors (IRBA) or any other regulator and any summaries relating to monitoring procedures/deficiencies issued by the auditor.

The committee was satisfied that the Consolidated and Separate Annual Financial Statements appropriately addressed the critical judgements and key estimates pertaining to the key audit matters contained in the Independent Auditor's Report, in respect of both amounts and disclosure. The committee noted that both the Consolidated and Separate Annual Financial Statements were presented fairly in all material respects.

Financial function and CFO review

In accordance with King IV™ requirements, we have reviewed the expertise, resources and experience of the Group's financial function and are satisfied that these are adequate and effective. We have also reviewed the performance, appropriateness and expertise of the CFO, Mr JAI Ferreira, and confirmed his suitability in terms of the Listings Requirements.

Audit and Risk Management Committee Report (continued)

Integrated Report

The committee oversees the compilation of the Integrated Report, and in particular:

- Takes cognisance of all factors and risks that may impact the integrity of the Integrated Report, including matters that may predispose management to present a misleading picture, significant judgments and reporting decisions made, monitoring or enforcement actions by a regulatory body and any evidence that brings into question previously published information and forward- looking statements or information.
- Reviews for reliability, the disclosure of sustainability in the Integrated Report.
- Recommends to the Board whether or not to engage an external assurance provider on material sustainability issues.
- Recommends the Integrated Report for approval by the Board.
- Considers whether the external auditor should perform assurance procedures on interim results or be engaged for any non-audit assignments.

The committee recommended to the Board to continue not to publish a Summarised Integrated Report or engage an external assurance provider to confirm material elements of the ESG Sustainability Report of the Integrated Report. This decision was based on the fact that environmental, social and governance sustainability reporting formed part of the budget process and is reported on by business units and approved by the Executive Directors. This approach will be reviewed every year. Astral has appointed a full-time Sustainability Manager who is responsible for environmental and social sustainability within the Group. The Group Company Secretary is responsible for the governance sustainability.

Internal control statement

Management is accountable to the Board for the design, implementation, monitoring and integrating of internal financial controls for the day-to-day running of the Group, focusing on the efficiency and effectiveness of operations, safeguarding the Group's assets, legal and regulatory compliance, business sustainability and reliable reporting, including financial reporting.

The committee has ensured that appropriate financial reporting procedures exist and are working, which included consideration of all entities forming part of the Consolidated Financial Statements and that it has access to all financial information of Astral to allow Astral to effectively prepare and report on the Financial Statements.

The committee has discussed and documented the basis for its conclusion, which includes discussions with internal and external auditors as well as management.

The committee is of the opinion that the internal controls are effective and the financial records can be relied upon as a reasonable basis for the preparation of the Annual Financial Statements.

Audit Committee statement

The committee considered and discussed the Annual Financial Statements and the Integrated Report, which includes the ESG Sustainability Report, with both management and the external auditor.

During this process, the committee:

- Reviewed the financial statements included in the Annual Financial Statements for consistency, fair presentation and compliance with IFRS.
- Evaluated significant estimates and judgements and reporting decisions.
- Reviewed the documentation supporting the going concern basis of accounting and concluded that it is appropriate.
- Evaluated the material factors and risks that could impact the Annual Financial Statements and Integrated Report.
- Evaluated the completeness of the financial and ESG disclosures.
- Discussed the treatment of significant and unusual transactions with management and the external auditor.
- Reviewed and discussed the sustainability information disclosed and is satisfied, based on discussions, that the information is reliable.

The committee considers that the Annual Financial Statements and the Integrated Report comply in all material respects with the statutory requirements of the various regulations governing disclosure and reporting, and the Annual Financial Statements comply in all material respects with the Companies Act and IFRS.

The committee has recommended to the Board that the Annual Financial Statements be adopted and approved by the Board.

Independent Auditor's Report

To the Shareholders of Astral Foods Limited

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated and separate financial statements of Astral Foods Limited (the Group and Company) set out on pages 148 to 206, which comprise the consolidated and separate statements of financial position as at 30 September 2024, and the consolidated and separate statements of profit or loss and other comprehensive income, the consolidated and separate statements of changes in equity and the consolidated and separate statements of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including a summary of material accounting policy information.

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of Astral Foods Limited and its subsidiaries as at 30 September 2024, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act of South Africa.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of our report. We are independent of the Group and Company in accordance with the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' (IESBA) International Code of Ethics for Professional Accountants (including International Independence Standards) (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 and separate 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.

Key Audit Matter	How the matter was addressed in the audit
Impairment of goodwill (Group) As disclosed in Note 15, the carrying amount of goodwill recognised by the Group amounts to R120.5 million (2023: R120.5 million). In line with IAS 36 – Impairment of Assets, the directors are required to assess annually whether goodwill is impaired. Judgement is applied and various estimates are used by the directors in assessing the impairment of this goodwill. For each affected cash generating unit (CGU) assumptions are made about the expected cash flows and discount rate applied. The assumptions with the most significant impact on the cash flow forecasts are: • Growth rates; • The Broiler feed costs; • Selling prices of poultry products; and • The pre-tax discount rates, which are derived from the weighted average cost of capital incorporating risk factors specific to the CGU cash flows being assessed. Due to the judgement applied and estimates used by the directors, the impairment assessment of goodwill is considered a key audit matter.	In evaluating the impairment of goodwill, we performed the following procedures: • Testing the entity's controls relating to the preparation of the goodwill impairment models and the cash flow forecasts, growth rate and discount rate assumptions used. • Testing of inputs into the cash flow forecasts against historical performance to determine the accuracy of the forecasting processes used by the directors. • The most significant of the inputs being growth rates used by the directors, which were compared to publicly available data regarding economic growth, inflation rates and the assumptions applied to broiler feed costs and poultry selling prices. • Testing of the discount rate which included evaluating the appropriateness of the funding rate, capital structure and risk profile assumptions applied. • Performing sensitivity analyses on the cash flow assumptions and discount rates to evaluate the extent of impact on the value in use and the appropriateness of the directors' disclosures in the financial statements. • Recomputed the value in use. • Tested the mathematical accuracy of the valuation models; and • Assessed the financial statement disclosures in terms of the requirements of IAS 36 Impairment of Assets. Based on the audit procedures performed, we have concluded that management's evaluation of impairment to be appropriate with no impairments required at the year-end.

Independent Auditor's Report (continued)

Other Matter

The consolidated and separate financial statements of the Group and Company for the year ended 30 September 2023 were audited by another auditor who expressed an unmodified opinion on those statements on 17 November 2023.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Audited Consolidated and Separate Annual Financial Statements for the year ended 30 September 2024", which includes the Directors' Report, the Audit Committee's Report and the Company Secretary's Certificate as required by the Companies Act of South Africa, which we obtained prior to the date of this report, and the Integrated Report, which is expected to be made available to us after that date. The other information does not include the consolidated and separate financial statements and our auditor's report thereon. Our opinion on the consolidated and separate financial statements does not cover the other information and we do not and will not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information 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 Consolidated and Separate Financial Statements

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

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

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

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

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

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

- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- 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 Audit and Risk Committee 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 the Audit and Risk Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

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

Report on Other Legal and Regulatory Requirements

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that Deloitte & Touche has been the auditor of Astral Foods Limited for 1 year.

Deloitte & Touche
Registered Auditor
Per: Sebastian Carter
Partner

15 November 2024

5 Magwa Crescent, Waterfall City 2090, South Africa

Consolidated and Separate Statements of Comprehensive Income

for the year ended 30 September 2024

	Notes	GROUP 2024 R'000	GROUP 2023 Restated R'000	COMPANY 2024 R'000	COMPANY 2023 R'000
Revenue	1	**20 479 785**	19 250 955	**–**	300 000
Cost of sales	2	**(16 988 972)**	(17 718 612)*	**–**	–
Gross profit		**3 490 813**	1 532 343*	**–**	300 000
Administrative expenses	2	**(971 158)**	(753 884)	**(10 295)**	(8 273)
Distribution costs	2	**(1 326 879)**	(1 214 112)*	**–**	–
Marketing expenditure	2	**(342 692)**	(327 522)	**–**	–
Other income	4	**272 016**	136 284	**–**	–
Other gains	5	**2 809**	6 016	**–**	–
Profit/(loss) before interest and tax		**1 124 909**	(620 875)	**(10 295)**	291 727
Finance income	6	**39 229**	32 524	**10 707**	10 101
Finance expense	6	**(140 305)**	(108 762)	**–**	(1)
Profit/(loss) before tax		**1 023 833**	(697 113)	**412**	301 827
Tax expense	7	**(270 929)**	184 913	**(2 891)**	(2 727)
Profit/(loss) for the year		**752 904**	(512 200)	**(2 479)**	299 100
Other comprehensive loss for the year, net of tax		**(15 065)**	(27 264)	**–**	–
Items that may subsequently be reclassified to profit and loss		**(55 912)**	(39 323)	**–**	–
Currency loss on investment loans to foreign subsidiaries		**(975)**	(868)	**–**	–
Foreign currency translation loss		**(54 937)**	(38 455)	**–**	–
Items that will not be reclassified to profit or loss		**40 847**	12 059	**–**	–
Re-measurement of post-employment benefit obligations (note 25)		**(4 073)**	7 257	**–**	–
Deferred tax on re-measurement of post-employment benefit obligations		**1 100**	(1 958)	**–**	–
Changes in fair value of equity instruments		**43 820**	6 760	**–**	–
Total comprehensive income/(loss) for the year		**737 839**	(539 464)	**(2 479)**	299 100
Profit/(loss) for the year attributable to:					
Equity holders of the Company		**752 904**	(512 200)	**(2 479)**	299 100
Profit/(loss) for the year		**752 904**	(512 200)	**(2 479)**	299 100
Total comprehensive (loss)/income attributable to:					
Equity holders of the Company		**737 839**	(539 464)	**(2 479)**	299 100
Total comprehensive (loss)/income for the year		**737 839**	(539 464)	**(2 479)**	299 100

* *Restated – refer note 37.*

Shareholders' information on shares		Cents per share	Cents per share
Earnings/(loss) per share	8	**1 959**	(1 333)
Diluted earnings/(loss) per share	8	**1 939**	(1 333)
Headline earnings/(loss) per share is a non-IFRS measurement:			
Headline earnings/(loss) per share			
Headline earnings/(loss) per share	9	**1 920**	(1 324)
Diluted headline earnings/(loss) per share	9	**1 901**	(1 324)
Dividends			
Dividends declared in respect of the current year's profits	10	**520**	–

Consolidated and Separate Balance Sheets
for the year ended 30 September 2024

		GROUP		COMPANY	
	Notes	2024 R'000	2023 R'000	2024 R'000	2023 R'000
Assets					
Non-current assets					
Property, plant and equipment	11	**3 125 437**	3 153 235		–
Intangible assets	12	**37 335**	42 034		–
Right-of-use assets	14	**178 114**	251 512		–
Goodwill	15	**120 536**	120 536		–
Financial assets at fair value through other comprehensive income	16	**–**	97 755		–
Investments at cost	16	**–**	–	**233 997**	233 997
		3 461 422	3 665 072	**233 997**	233 997
Current assets					
Biological assets	17	**1 331 399**	1 047 569		–
Inventories	18	**1 553 365**	1 895 247		–
Trade and other receivables	19	**1 987 404**	1 789 390	**–**	–
Current tax asset		**–**	5	**–**	5
Cash and cash equivalents	20	**739 188**	713 436	**92 951**	92 687
		5 611 356	5 445 647	**92 951**	92 692
Assets held for sale	38	**25 008**	–	**–**	–
		5 636 364	5 445 647	**92 951**	92 692
Total assets		**9 097 786**	9 110 719	**326 948**	326 689
Equity					
Capital and reserves attributable to equity holders of the Company					
Ordinary shares	21	**429**	429	**429**	429
Share premium	21	**89 971**	89 971	**89 971**	89 971
Other reserves	22	**(87 964)**	(33 825)		–
Treasury shares		**(269 543)**	(262 829)		–
Retained earnings		**5 019 468**	4 225 717	**185 641**	188 120
Total equity		**4 752 361**	4 019 463	**276 041**	278 520
Liabilities					
Non-current liabilities					
Deferred tax liabilities	23	**708 045**	520 137		–
Employee benefit obligations	24	**115 994**	103 397		–
Lease obligations	14	**126 126**	181 589		–
		950 165	805 123	**–**	–
Current liabilities					
Trade and other payables	26	**2 177 932**	2 246 001	**1 641**	701
Employee benefit obligations	24	**375 071**	190 952		
Current tax liabilities		**29 940**	11 288	**4**	–
Lease obligations	14	**57 378**	90 453		
Bank overdraft and borrowings	27	**751 589**	1 744 089	**45 912**	44 118
Shareholders for dividend		**3 350**	3 350	**3 350**	3 350
		3 395 260	4 286 133	**50 907**	48 169
Total liabilities		**4 345 425**	5 091 256	**50 907**	48 169
Total equity and liabilities		**9 097 786**	9 110 719	**326 948**	326 689

Consolidated and Separate Statements of Changes in Equity

for the year ended 30 September 2024

	Attributable to ordinary shareholders of Astral Foods Limited						
	Share capital and premium R'000	Treasury shares R'000	Other reserves (Note 22) R'000	Retained earnings R'000	Total R'000	Non-controlling interests R'000	Total equity R'000
Group							
2023							
Balance at 1 October 2022	90 400	(277 464)	21 139	4 951 932	4 786 007	–	4 786 007
Loss for the year				(512 200)	(512 200)		(512 200)
Other comprehensive income/(loss) for the year, net of tax			(39 323)	12 059	(27 264)		(27 264)
Increase in share-based payment reserve			12 273		12 273		12 273
Shares vested in terms of Forfeitable Share Scheme		16 170	(16 170)		–		–
Shares acquired in terms of restricted share incentive scheme		(13 279)			(13 279)		(13 279)
Shares forfeited and sold in terms of restricted share incentive scheme		11 744	(11 744)		–		–
Dividends declared and paid				(226 074)	(226 074)	–	(226 074)
Balance at 30 September 2023	90 400	(262 829)	(33 825)	4 225 717	4 019 463	–	4 019 463
2024							
Balance at 1 October 2023	**90 400**	**(262 829)**	**(33 825)**	**4 225 717**	**4 019 463**	**–**	**4 019 463**
Profit for the year				**752 904**	**752 904**		**752 904**
Other comprehensive (loss)/income for the year, net of tax			**(55 912)**	**40 847**	**(15 065)**		**(15 065)**
Increase in share-based payment reserve			**23 449**		**23 449**		**23 449**
Shares vested in terms of Forfeitable Share Scheme		**7 370**	**(7 370)**		**–**		**–**
Shares acquired in terms of restricted share incentive scheme		**(28 390)**			**(28 390)**		**(28 390)**
Shares forfeited and sold in terms of restricted share incentive scheme		**14 306**	**(14 306)**		**–**		**–**
Balance at 30 September 2024	**90 400**	**(269 543)**	**(87 964)**	**5 019 468**	**4 752 361**	**–**	**4 752 361**
Company							
2023							
Balance at 1 October 2022	90 400	–	–	142 261	232 661	–	232 661
Profit for the year	–	–	–	299 100	299 100	–	299 100
Dividends declared and paid		–	–	(253 241)	(253 241)	–	(253 241)
Balance at 30 September 2023	90 400	–	–	188 120	278 520	–	278 520
2024							
Balance at 1 October 2023	**90 400**	**–**	**–**	**188 120**	**278 520**	**–**	**278 520**
Profit for the year	**–**	**–**	**–**	**(2 479)**	**(2 479)**	**–**	**(2 479)**
Balance at 30 September 2024	**90 400**	**–**	**–**	**185 641**	**276 041**	**–**	**276 041**

Consolidated and Separate Statements of Cash Flows

for the year ended 30 September 2024

		GROUP		COMPANY	
	Notes	2024 R'000	2023 R'000	2024 R'000	2023 R'000
Cash flows from operating activities					
Cash operating profit/(loss)	A	**1 677 604**	(600 563)	**(10 295)**	291 727
Changes in working capital	B	**(221 475)**	(323 155)	**942**	257
Cash generated from/(utilised by) operations		**1 456 129**	(923 718)	**(9 353)**	291 984
Tax paid	C	**(61 580)**	(47 119)	**(2 882)**	(2 780)
Cash generated from/(utilised by) operating activities		**1 394 549**	(970 837)	**(12 235)**	289 204
Cash (outflows)/inflows from investing activities		**(77 407)**	(339 289)	**10 707**	14 101
Purchases of property, plant and equipment	D	**(265 560)**	(368 044)		
Costs incurred on intangibles		**(2 643)**	(5 558)		
Proceeds on disposal of property, plant and equipment		**9 992**	1 789		
Proceeds from disposal of investments	16.1	**141 575**	–	**–**	4 000
Finance income		**39 229**	32 524	**10 707**	10 101
Cash (outflows)/inflows from financing activities		**(821 809)**	180 864	**1 794**	(253 165)
Dividends paid to the Company's shareholders	E	**–**	(225 997)	**–**	(253 164)
Lease payments – capital element		**(100 607)**	(82 070)		
Finance cost paid on lease contracts		**(21 326)**	(25 479)	**–**	–
Treasury shares acquired in terms of the Forfeitable Share Plan		**(28 390)**	(13 279)		
Finance expenses paid		**(112 762)**	(82 233)	**–**	(1)
Net (repayment)/inflow from borrowings		**(574 690)**	600 000		
Proceeds from the sale of treasury shares		**15 966**	9 922		
Loans received from subsidiary		**–**	–	**1 794**	–
Net inflow/(outflow) of cash and cash equivalents		**495 333**	(1 129 262)	**266**	50 140
Effects of exchange rate changes		**(51 754)**	(2 409)	**–**	–
Cash and cash equivalents at beginning of year		**(430 653)**	701 018	**92 687**	42 547
Cash and cash equivalents at end of year	20	**12 926**	(430 653)	**92 953**	92 687

Notes to the Consolidated and Separate Statements of Cash Flows

for the year ended 30 September 2024

		GROUP		COMPANY	
		2024 R'000	2023 R'000	**2024 R'000**	2023 R'000
A.	**Cash operating profit/(loss)**				
	Profit/(loss) before interest and tax				
	– from continuing operations	**1 124 909**	(620 875)	**(10 295)**	291 727
	Adjustments for:				
	Depreciation and amortisation	**321 370**	310 234	**–**	–
	Scrapping of property, plant and equipment	**6 034**	5 022	**–**	–
	Loss/(profit) on disposal of property, plant and equipment	**1 066**	(364)	**–**	–
	Profit on early termination of capitalised leases	**(4 152)**	(4 423)	**–**	–
	Other	**805**	–	**–**	–
	Impairment of goodwill and provisions against carry values of assets	**4 399**	–	**–**	–
	Movement in provision of employee benefit obligations	**199 676**	(250 467)	**–**	–
	Fair value adjustments	**(8 040)**	(8 153)	**–**	–
	Biological assets provision and accruals for HPAI write-down	**(64 963)**	64 963		–
	Insurance receivable	**96 500**	(96 500)		–
	Cash operating profit/(loss)	**1 677 604**	(600 563)	**(10 295)**	291 727
B.	**Changes in working capital**				
	Decrease/(increase) in inventories	**373 636**	(735 812)		
	(Increase)/decrease in biological assets	**(202 861)**	53 306		
	(Increase)/decrease in trade and other receivables	**(304 335)**	(10 793)	**–**	91
	(Decrease)/increase in trade and other payables (excluding employee benefit-related accruals and provisions)	**(87 915)**	370 144	**942**	166
	Total change in working capital	**(221 475)**	(323 155)	**942**	257
C.	**Tax paid**				
	Balance (owing)/receivable at beginning of year	**(11 283)**	14 015	**5**	(48)
	Normal tax provision	**(81 921)**	(74 738)	**(2 891)**	(2 727)
	Translation differences	**1 718**	2 316	**–**	–
	Interest accrued	**(34)**	505	**–**	–
	Movement in provision against recoverability of tax receivable balance of a foreign subsidiary	**–**	(500)	**–**	–
	Net balance owing/(receivable) at end of year	**29 940**	11 283	**4**	(5)
	Net tax paid	**(61 580)**	(47 119)	**(2 882)**	(2 780)
D.	**Purchases of property, plant and equipment**				
	Purchase of property, plant and equipment to improve and/or expand operations	**(127 911)**	(268 033)		
	Purchase of property, plant and equipment to maintain operations	**(147 020)**	(124 373)		
	Total purchases	**(274 931)**	(392 406)	**–**	–
	Decrease in advance capital expenditure payments	**9 371**	24 362	**–**	–
	Purchases of property, plant and equipment	**(265 560)**	(368 044)	**–**	–
E.	**Dividends paid**				
	Balance at beginning of year	**(3 350)**	(3 273)	**(3 350)**	(3 273)
	Per statement of changes in equity	**–**	(226 074)	**–**	(253 241)
	Balance at end of year	**3 350**	3 350	**3 350**	3 350
	Total dividends paid	**–**	(225 997)	**–**	(253 164)

Notes to the Financial Statements
for the year ended 30 September 2024

1. Segment information

Segment information is prepared in compliance with IFRS 8: Operating Segments. The reported amounts reflect the key financial metrics and performance measures regularly reviewed by the Chief Operating Decision Maker (CODM) for resource allocation and performance evaluation. Only information that could reasonably be expected to influence the decisions of users is disclosed, in line with the principles of materiality under IFRS Practice Statement 2. In line with IFRS Practice Statement 2, we have assessed the qualitative and quantitative nature of our expense lines to ensure that what we consider material has been disclosed in the segmental disclosures provided.

Astral is an integrated poultry producer whose process starts with broiler genetics in its breeding operations through the selling of day-old chicks and hatching eggs, broiler production and the processing of broilers through four abattoirs, and ends with the marketing, selling and distribution of poultry products. Alongside the entire process, feed is produced in nine feed mills of which about 60% is for own internal requirements, with the balance sold to external commercial farmers. One of the feed mills and one poultry breeding and hatchery operation is situated in Zambia. Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Executive Officer who is responsible for allocating resources and assessing performance of the operating segments. The activities have been divided into two operating segments, Poultry and Feed. The business activities are grouped in these segments based on the nature of their business. Transactions between reportable segments are conducted on similar terms as other external transactions of this nature. All revenue between segments is transacted at market related prices.

Revenue per segment

Revenue in respect of both segments comprises the following:

- The sales of product net of value-added tax (where applicable), discounts, rebates and returns.
- Revenue is recognised at the point in time when control has passed to the customer. This is when delivery of the product is made to the customers, or when customers collect the product from one of the Group's locations.
- Payment terms for non-cash sales are generally 30 days from date of statement.
- A receivable is recognised in respect of non-cash sales in the Balance Sheet as an unconditional right to receive payment exists.

Poultry:

External revenue comprises the sale of poultry-related products for human consumption as well as day-old broilers, hatching eggs and day-old parent stock.

The customer profile for poultry products is mainly wholesale and retail outlets, which includes the major national food retailers in South Africa.

Poultry customers receive delivered product as a single performance obligation placed on the Group, and executed accordingly.

Inter-segment revenue consists of poultry by-products sold to the Feed segment as a source of protein for feed.

Feed:

External revenue comprises the sale of a wide range of specialised feed products for commercially farmed animal species.

The customer profile for feed products are mainly external poultry producers and commercial farmers farming with other animal species.

Feed customers receive delivered product where the delivery is an optional service.

Inter-segment sales consist of feed to the Poultry segment.

The segment information for the 2024 and 2023 financial year has been re-presented in light of the guidance provided by the IFRS interpretation committee's (IFRIC) final agenda decision relating to the IFRS 8 – "operating segments" on the disclosure of income and expense line items for reportable segments. The Group has elected to provide additional disclosure in light of the IFRIC agenda decision.

Notes to the financial statements (continued)

for the year ended 30 September 2024

1. Segment information (continued)

	External customer revenue R'000	Inter-segment revenue R'000	Total segment revenue R'000	External customer cost of sales (Re-presented) R'000	Gross profit (re-presented) R'000	Net operating expenses, income and gains (re-presented) R'000	PBIT (re-presented) R'000
GROUP							
2023							
Poultry	15 688 865	144 411	15 833 276	(15 278 432)	410 433	(1 790 241)	(1 379 808)
– Poultry products	14 546 705						
– Day-old broilers, hatching eggs and day-old parents	1 142 160						
Feed	3 562 090	8 026 821	11 588 911	(2 440 180)	1 121 910	(362 977)	758 933
	19 250 955	8 171 232	27 422 187	(17 718 612)	1 532 343	(2 153 218)	(620 875)
Finance income							32 524
Finance expense							(108 762)
Profit before tax							(697 113)
Tax expense							184 913
Profit for the year							(512 200)
2024							
Poultry	**16 908 290**	**147 555**	**17 055 845**	**(14 404 810)**	**2 503 480**	**(1 923 035)**	**580 445**
– Poultry products	**15 755 403**						
– Day-old broilers, hatching eggs and day-old parents	**1 152 887**						
Feed	**3 571 495**	**6 293 163**	**9 864 658**	**(2 584 162)**	**987 333**	**(442 869)**	**544 464**
	20 479 785	**6 440 718**	**26 920 503**	**(16 988 972)**	**3 490 813**	**(2 365 904)**	**1 124 909**
Finance income							**39 229**
Finance expense							**(140 305)**
Profit before tax							**1 023 833**
Tax expense							**(270 929)**
Profit for the year							**752 904**

	2024 R'000	2023 R'000
The Group revenue is denominated in the following currencies:		
Revenue denominated in South Africa Rand	**20 010 971**	18 758 330
Revenue denominated in foreign functional currencies	**468 814**	492 625
	20 479 785	19 250 955

1. Segment information (continued)

	2024 R'000	2023 R'000
Revenue from the top five customers are all from the Poultry segment		
Customer 1 (poultry segment)	**7 003 082**	6 222 937
Customer 2 (poultry segment)	**4 335 353**	3 722 473
Customer 3 (poultry segment)	**578 305**	664 273
Customer 4 (poultry segment)	**556 480**	561 672
Customer 5 (poultry segment)	**535 309**	418 431

Revenue from customer 1 and 2 individually exceeds 10 % of total revenue.

	Loadshedding-related costs (impact on cost of sales)		HPAI-related costs (impact on cost of sales)	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
Isolated large costs incurred by segments due to abnormal disruptions				
Poultry	**153 347**	1 621 878	**177 739**	400 478
Feed	**7 825**	31 476	**–**	–
	161 172	1 653 354	**177 739**	400 478

	Re-presented Administrative expenses		Re-presented Distribution costs		Re-presented Marketing expenditure	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000	2024 R'000	2023 R'000
Material classes of expenses included in operating expense base, disclosed by segment						
Poultry	**579 570**	415 816	**1 297 020**	1 183 674	**308 220**	293 612
Feed	**391 588**	338 068	**29 859**	30 438	**34 472**	33 910
	971 158	753 884	**1 326 879**	1 214 112	**342 692**	327 522

Notes to the financial statements (continued)

for the year ended 30 September 2024

1. Segment information (continued)

Segmentation of relevant balance sheet items and its related statement of comprehensive income impact:

	Capital expenditure – Property, plant and equipment and intangibles		Depreciation – Property, plant and equipment and intangibles	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
Poultry	167 015	282 393	201 451	196 371
Feed	110 398	109 571	30 214	27 305
Corporate	162	442	52	391
	277 575	392 406	231 717	224 067

	Capital expenditure – Right-of-use assets		Amortisation – Right-of-use assets	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
Poultry	9 316	29 437	61 367	57 352
Feed	15 192	34 850	28 269	28 815
Corporate	–	–	–	–
	24 508	64 287	89 636	86 167

	Inventory		Trade receivables	
Other	2024 R'000	2023 R'000	2024 R'000	2023 R'000
Poultry	1 168 683	1 425 566	1 497 773	1 228 640
Feed	384 682	469 681	456 595	396 645
Corporate	–	–	33 036	158 840
	1 553 365	1 895 247	1 987 404	1 784 125

	2024 R'000	2023 R'000
COMPANY		
Dividends received from subsidiaries	–	300 000

The revenue is denominated in South African Rand.

2. Expenses by nature

	Cost of sales* R'000	Administrative expenses R'000	Distribution costs* R'000	Marketing expenditure R'000	Total R'000
GROUP					
2023					
Cost of raw material	12 261 581	–	–	–	12 261 581
Inventory written downs and losses	70 767	–	–	–	70 767
Fair value adjustment to biological assets	(1 683)	–	–	–	(1 683)
Lease costs*	119 245	3 280	3 295	642	126 462
Amortisation of intangibles	–	5 235	–	–	5 235
Depreciation on property, plant and equipment	203 249	11 429	4 144	10	218 832
Amortisation right-of-use assets*	46 582	5 548	34 037	–	86 167
Repairs and maintenance	683 668	7 843	15 045	64	706 620
Water	119 012	667	41	–	119 720
Energy	1 135 863	6 499	12 745	2 565	1 157 672
Information technology related costs	162	82 422	–	–	82 584
Advertising, marketing, promotional-related costs	–	–	–	247 315	247 315
Transport and distribution costs*	322 843	–	919 219	–	1 242 062
Employee benefit expense (note 3)	1 857 947	286 411	90 752	62 315	2 297 425
Directors' remuneration (note 32)	–	45 959	–	–	45 959
Auditors' remuneration and related expenses	–	9 868	–	–	9 868
Other*	899 376	288 723	134 834	14 611	1 337 544
	17 718 612	753 884	1 214 112	327 522	20 014 130
2024					
Cost of raw material	**12 276 134**	**–**	**–**	**–**	**12 276 134**
Inventory write-ups and gains	**(21 868)**	**–**	**–**	**–**	**(21 868)**
Fair value adjustment to biological assets	**(8 040)**	**–**	**–**	**–**	**(8 040)**
Lease costs	**123 120**	**3 381**	**3 958**	**727**	**131 186**
Amortisation of intangibles	**–**	**6 988**	**–**	**–**	**6 988**
Depreciation on property, plant and equipment	**209 965**	**10 312**	**4 461**	**8**	**224 746**
Amortisation right-of-use assets	**44 051**	**5 949**	**39 636**	**–**	**89 636**
Repairs and maintenance	**690 164**	**14 642**	**14 835**	**14**	**719 655**
Water	**182 372**	**49**	**67**	**–**	**182 488**
Energy	**1 027 572**	**6 200**	**10 793**	**2 907**	**1 047 472**
Information technology-related costs	**31**	**86 146**	**–**	**–**	**86 177**
Advertising, marketing, promotional-related costs	**–**	**–**	**–**	**255 743**	**255 743**
Transport and distribution costs	**309 574**	**–**	**1 006 623**	**–**	**1 316 197**
Employee benefit expense (note 3)	**1 790 748**	**504 737**	**95 847**	**66 171**	**2 457 503**
Directors' remuneration (note 32)	**–**	**81 464**	**–**	**–**	**81 464**
Auditors' remuneration and related expenses	**–**	**10 500**	**–**	**–**	**10 500**
Other	**365 149**	**240 790**	**150 659**	**17 122**	**773 720**
	16 988 972	**971 158**	**1 326 879**	**342 692**	**19 629 701**

* *Restated as per note 37.*

The prior year's cost of loadshedding amounting to R1 653.4 million and HPAI ("bird flu") amounting to R400.5 million is included as part of various components of cost of sales.

Items that were specifically impacted by the loadshedding costs in the prior year include additional raw material purchased to feed the birds not slaughtered, the leasing of generators, additional shifts and overtime worked to clear the slaughter-programme backlogs and also additional energy-cost spend through the purchasing of greater quantities of diesel. During the current year the cost of loadshedding amounted to R161.2 million.

Notes to the financial statements (continued)

for the year ended 30 September 2024

	GROUP	
	2024 R'000	2023 R'000
2. Expenses by nature (continued)		
Reconciliation of expenses considering the cost of loadshedding and HPAI:		
Additional feed costs incurred during loadshedding disruptions (included in cost of sales)	**–**	1 058 824
Costs incurred due to down placements during loadshedding disruptions (included in cost of sales)	**–**	169 986
Diesel generator-related and other costs incurred directly related to loadshedding disruptions (included in cost of sales)	**161 172**	424 544
Cost of HPAI (included in cost of sales)	**177 739**	400 478
Cost structure excluding loadshedding and HPAI costs	**19 290 790**	17 960 298
Total expenses as disclosed above	**19 629 701**	20 014 130

	Cost of sales R'000	Administrative expenses R'000	Distribution costs R'000	Marketing expenditure R'000	Total R'000
COMPANY					
2023					
Directors' remuneration (note 32)		4 987			4 987
Auditors' remuneration and related expenses		704			704
JSE listing-related costs and other		2 582			2 582
	–	8 273	–	–	8 273
2024					
Directors' remuneration (note 32)		**4 987**			**4 987**
Auditors' remuneration and related expenses		**2 381**			**2 381**
JSE listing-related costs and other		**2 927**			**2 927**
	–	**10 295**	**–**	**–**	**10 295**

	GROUP	
	2024 R'000	2023 R'000
3. Employee benefit expense		
Cost of employment of permanent employees	**1 780 126**	1 799 503
Performance incentives		
– EVA and Turnaround Incentive Scheme-based incentives	**96 828**	(1 272)
– Operational PBIT-based incentives	**32 557**	36 143
– Operational target driven incentives	**98 869**	10 280
Long-term retention benefits	**4 198**	(13 241)
Essential service bonuses	**–**	–
Termination benefits	**3 827**	5 490
Post-employment benefits	**10 869**	10 445
	2 027 274	1 847 348
Cost of contracted labour	**430 229**	450 077
	2 457 503	2 297 425
Number of employees and contracted services at 30 September:		
– Permanent employees	**8 979**	9 344
– Contracted labour*	**4 940**	4 279
	13 919	13 623

* *Includes contracted services.*

	GROUP		COMPANY	
	2024 R'000	2023 R'000	**2024 R'000**	2023 R'000
4. Other income				
Scrap sold	**1 442**	1 277		
Amounts written off recovered	**–**	1 310		
Storage fee income	**–**	2 652		
Insurance recoveries related to asset claims	**27 288#**			
Insurance recoveries related to costs incurred	**224 263#**	127 072*		
Rental received	**6 404**	3 973		
Other	**12 619**	–		
	272 016	136 284	**–**	–

\# *Insurance recovery relates to losses incurred during FY2023 (bird flu, fire and flood losses).*

* *The increase in insurance recoveries relates mainly to the business interruption claims that were agreed to during the current financial year. These business interruptions were experienced during the 2020 and 2021 financial years.*

Notes to the financial statements (continued)

for the year ended 30 September 2024

	GROUP		COMPANY	
	2024 R'000	2023 R'000	**2024 R'000**	2023 R'000
5. Other (losses)/gains				
Foreign exchange gains/(losses) on financial instruments and monetary items	**(2 465)**	8 153		
(Loss)/profit on sale of property, plant and equipment	**(1 066)**	364		
Loss on sale of intangibles	**(52)**	(129)		
Assets scrapped	**(6 034)**	(5 022)		
Profit on early termination of capitalised leases	**4 152**	4 423		
Movement in provision for doubtful debtors	**(4 395)**	1 423		
Corporate Social Investment (CSI) related spend	**(5 506)**	(4 801)		
Agri SETA recoveries	**6 021**	4 351		
Other	**12 154**	(2 746)		
	2 809	6 016	**–**	–
6. Finance income and expense				
Finance income				
Bank balances	**39 009**	31 387	**10 707**	10 096
Other	**220**	1 137	**–**	5
	39 229	32 524	**10 707**	10 101
Finance expense				
Bank borrowings and overdrafts	**107 972**	75 852	**–**	–
Finance costs accrued on lease liabilities	**21 326**	25 479	**–**	–
Unwinding of discount on long outstanding liabilities	**6 183**	1 555	**–**	–
Other	**4 824**	5 876	**–**	1
	140 305	108 762	**–**	1
Net finance expense/(income)	**101 076**	76 238	**(10 707)**	(10 100)
7. Tax expense				
Current tax	**85 200**	74 368	**2 891**	2 727
Deferred tax	**187 108**	(259 637)		
	272 308	(185 269)	**2 891**	2 727
Current tax – prior year	**(3 701)**	4	**–**	–
Deferred tax – prior year	**1 900**	(14)	**–**	–
Withholding tax	**422**	366	**–**	–
	270 929	(184 913)	**2 891**	2 727
The tax on the Group's profit before tax differs from the theoretical amount that would arise using the basic tax rate of South Africa:				
Profit before tax	**1 023 833**	(697 113)	**412**	301 827

	GROUP		COMPANY	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
7. Tax expense (continued)				
Tax calculated at a tax rate of 27% (2023: 27%)	**276 435**	(188 221)	**111**	81 493
Effect of different tax rates in other countries	**(3 204)**	(2 572)		
Dividends paid recognised as cash-settled share-based payment	**–**	822		
Capital gains portion not taxable	**(3 053)**	–		
Training allowances received	**(2 597)**	(1 698)		
Non-trading-related expenses – holding company	**2 780**	2 234	**2 234**	2 234
Legal expenses and fines	**604**	992		
Donations and social investments not tax deductible	**546**	620		
Costs incurred by foreign subsidiaries not tax deductible	**2 862**	1 976		
Other income/expenses not taxable for tax purposes	**(133)**	(162)		
Temporary differences on which no deferred tax is recognised	**(1 379)**	64		
Adjustments to prior year's normal tax provision	**(3 701)**	4	**–**	–
Adjustments to prior year's tax base used for calculating deferred tax	**1 878**	(14)		
Withholding tax paid	**422**	366		
Tax losses not utilised to reduce current and/or deferred tax	**–**	558		
Dividends received	**(538)**	–	**–**	(81 000)
Finance charges not tax deductible	**7**	119		
Tax charge per income statement	**270 929**	(184 913)	**2 345**	2 727

Further information about deferred tax is presented in note 23.

Tax losses available to set-off against future taxable income amount to R669.3 million (2023: R1 075.0 million). The deferred tax assets have been recognised with regards to these tax losses as they are considered to be recoverable.

	GROUP	
	2024 R'000	2023 R'000
8. Earnings per share		
Profit attributable to equity holders of the Company used for calculating earnings per share and diluted earnings per share	**752 904**	(512 200)
	Cents	Cents
Basic earnings per ordinary share	**1 959**	(1 333)
Diluted earnings per share	**1 939**	(1 333)
	Number of shares	Number of shares
Weighted average number of ordinary shares in issue during the year for calculating earnings per share	**38 442 665**	38 419 016
Adjustments for forfeitable shares	**390 993**	414 642
Weighted average number of ordinary shares for calculating diluted earnings per share	**38 833 658**	38 833 658

Notes to the financial statements (continued)

for the year ended 30 September 2024

8. Earnings per share (continued)

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares during the year, reduced by ordinary shares purchased and held as treasury shares.

Diluted earnings per share

Diluted earnings per share for the current year is based on the number of shares currently held as treasury shares which will, per the forfeitable share incentive scheme, either vest depending on the meeting of certain performance criteria, or will be sold back into the market in the event the performance conditions have not been met. However, in the prior financial year the potential ordinary shares are anti-dilutive when their conversion to ordinary shares would increase earnings per share or decrease loss per share. The calculation of the prior year's diluted earnings per share therefore does not assume conversion, exercise, or other issue of potential ordinary shares that would have an anti-dilutive effect on earnings per share.

	Gross R'000	Net of tax R'000
9. Headline earnings		
2023		
Net profit attributable to shareholders	–	(512 200)
Adjusted for:	4 787	3 709
Profit on sale of property, plant and equipment	(235)	(150)
Loss on assets scrapped	5 022	3 859
Impairment of goodwill	–	–
Net gain on disposal of controlling interests in subsidiaries	–	–
Headline earnings		(508 491)
2024		
Net profit attributable to shareholders	**–**	**752 904**
Adjusted for:	**(20 136)**	**(14 667)**
Profit on sale of property, plant and equipment and intangibles	**1 118**	**803**
Insurance proceeds related to asset write-offs	**(27 288)**	**(19 920)**
Loss on assets scrapped	**6 034**	**4 450**
Headline earnings		**738 237**

	GROUP		COMPANY	
	2024 cents	2023 cents	**2024 cents**	2023 cents
Headline earnings per share (cents)				
Headline earnings per share (cents)	**1 920**	(1 324)		
Diluted headline earnings per share (cents)	**1 901**	(1 324)		

	GROUP		COMPANY	
	2024 R'000	2023 R'000	**2024 R'000**	2023 R'000

10. Dividends

	GROUP 2024 R'000	GROUP 2023 R'000	COMPANY 2024 R'000	COMPANY 2023 R'000
Dividends declared in respect of the current year's profits:				
No interim dividends were declared	**–**	–	**–**	–
Current year final dividend (Dividend no 43) – declared on 13 November 2024 – 520 cents per share	**201 935**	–	**223 196**	–
Total dividends declared in respect of the year ended 30 September 2024 – 520 cents per share	**201 935**	–	**223 196**	–

The current year financial statements do not include the final dividend declared in respect of the financial year ended 30 September 2024. The prior year number has been updated to reflect the actual payment which was made post the prior year end.

11. Property, plant and equipment

	Land and buildings R'000	Plant and equipment R'000	Vehicles R'000	Total R'000
GROUP				
2023				
Net book amount at 1 October 2022	1 262 705	1 666 513	73 494	3 002 712
Changes for the year:				
Reclassifications	–	–	–	
Exchange translation changes	(5 082)	(11 206)	(444)	(16 732)
Additions – Expansion/improvement	27 518	234 785	5 730	268 033
Additions – Replacement	35 111	86 938	2 324	124 373
Disposals	–	(331)	(966)	(1 297)
Assets scrapped	(475)	(3 934)	(613)	(5 022)
Depreciation recognised in the statement of comprehensive income	(34 322)	(172 975)	(11 535)	(218 832)
Closing net book amount	1 285 455	1 799 790	67 990	3 153 235
Balance at 30 September 2023:				
Cost	1 873 296	3 484 173	194 036	5 551 505
Accumulated depreciation	(587 841)	(1 684 383)	(126 046)	(2 398 270)
Closing net book amount	1 285 455	1 799 790	67 990	3 153 235

Notes to the financial statements (continued)

for the year ended 30 September 2024

	Land and buildings R'000	Plant and equipment R'000	Vehicles R'000	Total R'000
11. Property, plant and equipment (continued)				
GROUP				
2024				
Net book amount at 1 October 2023	1 285 455	1 799 790	67 990	3 153 235
Changes for the year:				
Exchange translation changes	(13 012)	(23 958)	(3 098)	(40 068)
Additions – Expansion/improvement	55 076	65 293	7 542	127 911
Additions – Replacement	19 851	122 590	4 579	147 020
Disposals	(8 878)	(965)	(1 163)	(11 006)
Assets scrapped	–	(5 936)	(98)	(6 034)
Depreciation recognised in the statement of comprehensive income	(37 075)	(176 894)	(10 777)	(224 746)
Less: Held for sale (note 38)	(19 997)	(878)	–	(20 875)
Closing net book amount	1 281 420	1 779 042	64 975	3 125 437
Balance at 30 September 2024:				
Cost	1 901 082	3 593 323	197 836	5 692 241
Accumulated depreciation	(619 662)	(1 814 281)	(132 861)	(2 566 804)
Closing net book amount	1 281 420	1 779 042	64 975	3 125 437

Details of the individual properties are on record, which are open for inspection by members or their nominees at the registered office of the Company.

Held for sale (note 38)

Certain land and buildings are held for sale after a decision was taken to dispose of the assets. The contracts were concluded with the buyer; however, the transaction remains subject to final conditions precedent still to be fulfilled as at the reporting date. The transaction is expected to be concluded within the next 12 months.

Determination of useful life and annual depreciation

- Buildings, plant and equipment are of a specialised nature and the expected useful lives at initial recognition are based on past experience of deployment of similar assets in the Group.
- Subsequent to the initial determination of useful lives, the remaining useful life is assessed annually, taking into account the physical condition of the asset item and how long it can still be operational without incurring excessive repairs and maintenance costs. When the cost of repairs and maintenance reaches such a level where it is not feasible to continue to use a particular plant item, it is replaced. Continuous technology changes could also have a bearing on the economic life of existing assets. The impact of lower operating costs of using the latest technology in processes thereby warranting investment in such assets could make the use of existing assets uneconomical and have an impact on their useful economic lives. Due to the above variable factors, predictions of future replacement dates are based on subjective assessments, and remaining life expectancies are therefore subject to variability.
- Depreciation on specialised buildings, plant and equipment is calculated on the basis that they will have no residual value when they reach the end of their estimated economical lives.
- Depreciation on vehicles is calculated on the basis that it will have residual values of between 10% and 20% of the original cost when they reach the end of their estimated economic lives.
- Depreciation on assets is calculated using the straight-line method to allocate the cost of each asset to its estimated residual value over its estimated useful life. The estimated life of assets per asset category falls within the following ranges:
  - Buildings 50 years
  - Plant and equipment – poultry 8 – 25 years
  - Plant and equipment – feed 5 – 50 years
  - Vehicles 5 – 10 years
  - Intangible assets – software 5 – 15 years

	GROUP	
	2024 R'000	2023 R'000
12. Intangible assets		
Software		
Opening net book amount	**42 034**	41 947
Changes for the year:		
Exchange translation changes	**(302)**	(107)
Capitalisation of costs incurred	**2 643**	5 558
Disposals	**(52)**	(129)
Amortisation – included in administrative expenses	**(6 988)**	(5 235)
Closing net book amount	**37 335**	42 034
Cost	**96 384**	97 275
Accumulated amortisation	**(59 049)**	(55 241)
Closing net book amount	**37 335**	42 034
13. Capital commitments		
Capital expenditure approved not contracted for	**27 187***	483 836
Capital expenditure contracted but not recognised in the financial statements	**191 157**	109 496
Cost on intangibles contracted but not recognised in the financial statements	**–**	200

* *The Board of directors previously approved a large capital project. This project was cancelled during the current reporting period as a result of alternative arrangements agreed with a supplier of the Group that amended the need for the Group to incur the capital expenditure.*

The capital commitments will be financed from a combination of operating cash flows, surplus cash and borrowings when required. No abnormally high debt levels are foreseen resulting from future capital expenditure.

14. Leases

The nature of lease contracts in the Group are in respect of leases of office space, moveable plant items in the processing plants, general office equipment, farm vehicles and vehicles for outbound transport of finished goods to customers.

Lease contracts vary from contracts for individual items to contracts where a number of items are leased per contract, as the case is in respect of certain vehicles.

Qualifying leases are recognised as right-of-use assets with corresponding lease liabilities.

The values of the right-of-use assets and lease liabilities have been based on future lease payments, discounted at the prevailing incremental borrowing rate to present values. The incremental borrowing rates used are based on the cost of borrowing from third party financiers.

Future index or rate-related increases in variable lease payments are not taken into account in determining the carrying values until they take effect. When these adjustments take effect the lease liability is re-measured with a corresponding adjustment to the right-of-use assets.

In instances where there is a reasonable degree of certainty that options to extend lease periods will be exercised, the extended periods have been used in calculating the present values of lease payments.

The impact of leases on the deferred tax provision are separately calculated and provided for on the of right-of-use assets and for the lease liabilities. Refer note 23 – Deferred tax.

Notes to the financial statements (continued)

for the year ended 30 September 2024

14. Leases (continued)

14.1 Right-of-use assets

	Buildings R'000	Plant, and equipment R'000	Vehicles R'000	Total R'000
GROUP				
2023				
Opening balance 1 October 2022	32 201	28 717	227 899	288 817
Changes for the year:				
Additions	38 801	303	25 183	64 287
Re-measurements	–	39	1 203	1 242
Derecognitions	(16 667)	–	–	(16 667)
Amortisation	(6 418)	(9 171)	(70 578)	(86 167)
Closing net book amount	47 917	19 888	183 707	251 512
Balance at 30 September 2023:				
Capitalised costs	57 319	46 786	425 263	529 368
Accumulated amortisation	(9 402)	(26 898)	(241 556)	(277 856)
Closing net book amount	47 917	19 888	183 707	251 512
2024				
Opening balance 1 October 2023	**47 917**	**19 888**	**183 707**	**251 512**
Changes for the year:				
Additions	**24 508**	**–**	**–**	**24 508**
Re-measurements	**553**	**11**	**(120)**	**444**
Derecognitions	**(8 731)**	**–**	**–**	**(8 731)**
Amortisation	**(6 794)**	**(9 210)**	**(73 615)**	**(89 619)**
Closing net book amount	**57 453**	**10 689**	**109 972**	**178 114**
Balance at 30 September 2024:				
Capitalised costs	**66 211**	**44 276**	**350 351**	**460 838**
Accumulated amortisation	**(8 758)**	**(33 587)**	**(240 379)**	**(282 724)**
Closing net book amount	**57 453**	**10 689**	**109 972**	**178 114**

The value of new right-of-use assets added during the year are the initial measurement of the related lease liability.

Right-of-use assets are amortised over the shorter of its useful life or the lease term, including an extended term, where applicable.

14. Leases (continued)

14.2 Lease obligations

	GROUP 2024 R'000	GROUP 2023 R'000
Non-current	126 126	181 589
Current	57 378	90 453
Total	183 504	272 042
Maturity profile of lease liabilities:		
Capital payments next year	57 385	90 453
Capital payments from the second up to the fifth year	98 827	156 397
Capital payments after five years	27 292	25 192
	183 504	272 042
Total lease payments relating to capitalised leases	121 277	107 549
Interest expense on lease liability included in finance cost	21 326	25 479

Lease payments are apportioned between a finance cost component, recognised as a finance charge, and a reduction of the outstanding principal amount of the lease liabilities.

14.3 Other leases

	GROUP 2024 R'000	GROUP 2023 R'000
Lease payments included in operating profit as lease expenses:		
Lease payments relating to low value items	2 711	5 226
Lease payments relating to short-term leases	49 934	46 172
Variable lease payments not linked to an index or rate and not recognised in right-of-use assets	78 541	75 064
Future commitments – Other leases:	34 581	28 788
Not later than one year:		
Short-term leases: property	1 768	1 792
Short-term leases: plant and equipment	28 607	22 803
Short-term leases: vehicles	171	–
Low value items of plant and equipment	1 115	1 621
Later than one year and not later than five years:		
Short-term leases: plant and equipment	2 210	552
Low value items	614	1 900
Later than five years		
Low value items	96	120

Short-term leases are those with terms of not more than 12 months.

Low value leases are generally leases of office equipment and of personal IT equipment.

Lease payments in respect of short-term leases and leases of low value items are expensed in the statement of comprehensive income, as and when incurred.

Notes to the financial statements (continued)

for the year ended 30 September 2024

15. Goodwill

Goodwill is allocated to the Group's identified cash-generating units. Goodwill is assessed for impairment at each reporting date. The recoverable amount of the relevant cash-generating units is determined based on value-in-use calculations. These calculations use cash flow projections as contained in the annual budget and business plan forecasts approved by the Board of directors.

The cash flow projections have been projected over five years. Abnormal trends in the forecasts, given the cyclical nature of the industry in which the businesses operate, for example the impact of abnormal weather patterns, are eliminated in the perpetuity calculations of future cash flows.

The perpetual growth rate is based on the Group's assessment of the long-term economic outlook and takes into account a view on market conditions and the strategic positioning of the business units within the markets in which they operate. The valuations, using a perpetuity growth rate of 5%, account for the impact of inflation on future cash flow streams only, and do not take into account further expansion. It is also expected that the businesses will maintain their respective market positioning and no reduction of volumes is assumed in the calculation of the valuation of the business units.

No impairment of goodwill was recognised in the current financial year.

The following represents the critical assumptions included in determining the recoverable amounts of the cash-generating units (CGUs):

Discount rate

The discount rates used to determine values of individual cash-generating units are based on the weighted average cost of capital for these business units and incorporate specific business risks related to the industry as well as the different geographical and economical areas in which business activities are conducted. The discount rate is lower than the previous year mainly due to decreased long-term yield curve for risk-free investments in the South African market which decreased over the past year.

Broiler feed costs

The major components of the broiler feed ration are the cost of maize and soya. The cost of these two ingredients are influenced by a number of factors like weather patterns, the size of annual national and international crops, stock holdings and rate of consumption of these commodities. Market forces impact prices of these commodities and assumptions for future prices take into account most recent stock-to-use ratios and prices of futures traded for these commodities in the open market. Specific adjustments are made for known abnormal weather patterns such as droughts or above average rainfall periods which could impact prices. The feed cost also includes an allowance for the impact of inflation on the production cost of broiler feed.

Selling prices poultry products

Selling prices for poultry products are influenced by market forces which impact the supply and consumption thereof. Assumptions for future price levels take into account the most recent market conditions adjusted for known price volatility such as changes in regulations, periods of over and short supply conditions, and forecasted trends in consumer spending. Long-term pricing assumes normalised market conditions and any prolonged period of over or under food inflationary increases in poultry products are normalised in the long-term outlook for selling prices.

	Pre-tax discount rates	Forecast period (years)	Average perpetuity growth rates	Goodwill R'000
GROUP				
2023				
Poultry				
Goldi/Festive	18.2%	5	5.0%	106 020
National Chicks	18.2%	5	5.0%	3 749
County Fair	15.2%	5	5.0%	2 559
Feed				
Meadow – South African operations	16.1%	5	5.0%	5 648
Africa Feeds Limited (Zambia)	22.9%	5	10.0%	2 560
				120 536

	Pre-tax discount rates	Forecast period (years)	Average perpetuity growth rates	Goodwill R'000
15. Goodwill (continued)				
2024				
Poultry				
Goldi/Festive	**15.4%**	**5**	**5.0%**	**106 020**
National Chicks	**16.0%**	**5**	**5.0%**	**3 749**
County Fair	**14.8%**	**5**	**5.0%**	**2 559**
Feed				
Meadow – South African operations	**15.0%**	**5**	**5.0%**	**5 648**
Africa Feeds Limited (Zambia)	**23.0%**	**5**	**5.0%**	**2 560**
				120 536

	GROUP		COMPANY	
	2024 R'000	2023 R'000	**2024 R'000**	2023 R'000
Goodwill carrying value				
Balance at 1 October	**120 536**	120 536		
Accumulated impairment	**–**	–		
Balance at 30 September	**120 536**	120 536		

Sensitivity analysis

Changes in the economic and financial environment, competitor activity, regulatory authorities' decisions and consumers' behaviour in response to the economic environment, may affect the assumptions used in the calculation of the recoverable amounts.

The percentages indicated below are regarded as reasonably possible changes to the critical assumptions. For the CGUs, listed above, with limited headroom between value in use and carrying amount of the underlying assets a sensitivity analysis was performed to assess the impact of the critical assumptions on the available headroom, as follows:

	GROUP		COMPANY	
	2024 R'000	2023 R'000	**2024 R'000**	2023 R'000
Potential impairment if the discount rates are increased by 1 %	**(2 559)#**	(1 199)*		
Potential impairment if the discount rates are increased by 2 %	**(2 559)#**	(6 308)#*		
Potential impairment if the net realisations of poultry products decrease by 1 %	**(2 559)#**	–		
Potential impairment if the net realisations of poultry products decrease by 3 %	**(2 559)#**	–		
Cost structure excluding loadshedding and HPAI costs	**–**	(3 749)*		
Potential impairment if the broiler feed price increased by 1 %	**(2 559)#**	(6 308)#*		
Potential impairment if the broiler feed price increased by 3 %	**(2 559)#**	(6 308)#*		
Potential impairment if the broiler feed price increased by 5 %	**(6 308)#***	(6 308)#*		

\# *Represents County Fair goodwill.*
* *Represents National Chicks goodwill.*

Notes to the financial statements (continued)

for the year ended 30 September 2024

16. Investments

16.1 Financial assets at fair value through other comprehensive income

An irrevocable election has been made to recognise changes in the fair value of the shares in this category.

Disposal of listed shares in Quantum Foods Holdings – minority interest

(a) *Description*

During the 2020 financial year, the Group acquired a 9.8% equity interest in Quantum Foods Holdings (QFH). At the time when Astral acquired the 9.8% equity stake in QFH there were unmitigated risks the Group had to manage. These risks centred around securing the supply of live broilers to Astral's County Fair operation in the Western Cape. Necessary actions were taken to mitigate these risks which negated Astral maintaining its equity position in QFH.

Astral was approached to dispose of its 9.8% equity stake held in Quantum Foods Holdings Limited (QFH) at R7.25 per share, an approximate 70% premium to current market value. Should any risk to these contracted broiler volumes over the medium to long-term present itself, Astral will timeously implement further mitigating actions.

The listed shares in Quantum Foods Holdings Limited are not held for trading as it was regarded as a strategic investment.

(b) *Financial and cash flow information*

	GROUP		COMPANY	
	2024 R'000	2023 R'000	**2024 R'000**	2023 R'000
At cost – 19 550 855 shares (purchased during FY2020 at R7.94 per share)	**155 306**	155 306		
Cumulative fair value adjustment	**(57 551)**	(57 551)		
Fair value at 30 September 2023	**97 755**	97 755		
Fair value uplift to date of disposal (5 March 2024)	**43 820**			
Total cash consideration received from disposal	**141 575**			
The carrying value of the investment is based on the share price on 30 September 2023 as listed on the Johannesburg Stock Exchange (JSE), and it falls in level 1 of the fair value measurement hierarchy.				
16.2 Investments carried at cost				
Investments in subsidiaries – at cost (unlisted)			**233 997**	233 997

Impairment was considered and no impairment was recognised. The investment was tested at CGU level, using the assumptions quoted in note 15.

	Egg stock R'000	Broiler stock R'000	Breeding stock R'000	Total R'000

17. Biological assets

	Egg stock R'000	Broiler stock R'000	Breeding stock R'000	Total R'000
GROUP				
2023				
Fair value at 1 October 2022	152 280	546 178	547 430	1 245 888
Obsolescence adjustment			(1 115 378)	(1 115 378)
Increase due to establishment costs	1 058 204	9 436 059	1 060 681	11 554 944
Decrease due to harvest/sales	(1 051 625)	(9 429 927)	(153 682)	(10 635 234)
Fair value adjustment	(2 646)	(5)	–	(2 651)
Closing balance	156 213	552 305	339 051	1 047 569
Balance at 30 September 2023:				
At fair value	156 213	552 305	339 051	1 047 569
2024				
Fair value at 1 October 2023	**156 213**	**552 305**	**339 051**	**1 047 569**
Obsolescence adjustment			**(828 718)**	**(828 718)**
Increase due to establishment costs*	**749 905**	**8 073 330**	**1 341 722**	**10 164 957**
Decrease due to harvest/sales	**(725 734)**	**(8 114 578)**	**(223 583)**	**(9 063 895)**
Fair value adjustment	**13 014**	**(1 528)**		**11 486**
Closing balance	**193 398**	**509 529**	**628 472**	**1 331 399**
Balance at 30 September 2024:				
At fair value	**193 398**	**509 529**	**628 472**	**1 331 399**

* *Includes fertile eggs imported during the bird flu period.*

Egg stock

The carrying value of egg stock is based on fair value, and falls in level 3 of the fair value measurement hierarchy.

Costs incurred related to the production of eggs are capitalised during their growing cycle. A fair value adjustment is applied to the cumulative capitalised cost thereof.

The fair value adjustment of eggs is determined as the price difference between the sum total of the capitalised cost at point of sale and the price at which the hatching eggs are sold in the external market.

Broiler stock

The carrying value of broiler stock is based on fair value and falls in level 3 of the fair value measurement hierarchy.

Costs incurred related to the production of broiler stock are capitalised during its growing cycle. A fair value adjustment is applied to the cumulative capitalised cost thereof.

The fair value adjustment for live broiler birds is based on the ratio at which the cumulated costs per kilogram of live broilers at point of harvest differs with the bought-in price per live kilogram paid for broiler birds delivered by third-party contract growers for processing through the abattoirs. This adjustment ratio is applied to the sum of costs of the total broiler stock holding.

Biological assets include assets held at contract growers, as the Group retains ownership of these assets.

The valuation methodology used in Astral for eggs and broilers are not based on developed valuation techniques, but on transactions with external parties. These unobservable inputs used in the fair value calculations are the price of eggs sold by Astral in the external market, and the bought-in price paid to external contract growers for broiler birds. The most significant input into the fair value measurement is the contract price entered into with independent market participants. These prices change when contracts are renegotiated.

Notes to the financial statements (continued)

for the year ended 30 September 2024

17. Biological assets (continued)

Breeder stock

The carrying value of breeder stock approximates fair value using the cost approach, which is based on actual costs incurred less obsolescence adjustments.

The cost of breeding stock includes the cost of the day-old chick, feeding and other related costs, which are capitalised during its rearing cycle of approximately 22 weeks. The capitalised costs are then adjusted for obsolescence throughout its productive (laying) cycle of approximately 40 weeks, to a cull value at the end of its productive life cycle. There is no market for breeder birds, except for when sold as a day-old chick, and when sold at its cull value at the end of its productive cycle. In the absence of any fair value indicators for mature breeder birds, the carrying value of the breeding stock, as calculated in line with the cost approach (as defined in IFRS 13) to establish fair value, on the basis of cost less obsolescence adjustments, is regarded as an accurate indicator of the fair value thereof in the integrated poultry producing process.

	GROUP		COMPANY	
	2024 R'000	2023 R'000	**2024 R'000**	2023 R'000
18. Inventories				
Feed raw materials	**257 822**	338 834		
Feed finished goods	**47 772**	53 480		
Poultry products	**958 190**	1 232 166		
Consumable stores	**289 581**	270 767		
	1 553 365	1 895 247	**–**	–
The cost of inventories and value of biological assets recognised as an expense in profit and loss amounts to R12 276 million (2023: R12 262 million).				
Certain inventories at the Zambian subsidiaries serve as security for bank facilities – refer note 29.5.				
19. Trade and other receivables				
Current				
Financial instruments				
Trade receivables	**1 726 017**	1 488 943		
Provision for specific doubtful debts	**(5 301)**	(906)		
Trade receivables – net	**1 720 716**	1 488 037	**–**	–
Other receivables	**52 170**	29 422		
Insurance receivable	**–**	96 500		
Non-financial instruments				
Prepayments	**107 430**	94 988		
Advance capital expenditure payments	**12 663**	22 034		
VAT recoverable	**94 425**	58 409		
	1 987 404	1 789 390	**–**	–

19. Trade and other receivables (continued)

The fair values of trade and other receivables approximate their carrying value.

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

	GROUP		COMPANY	
	2024 R'000	2023 R'000	**2024 R'000**	2023 R'000
SA Rand	**1 966 735**	1 761 716	**–**	–
Zambian Kwacha	**20 669**	27 674	**–**	–
	1 987 404	1 789 390	**–**	–

Certain trade receivables at a Zambian subsidiary serve as security for bank facilities – refer note 29.5.

Categories

Trade receivables are categorised according to the different business segments as the profiles of trade receivables differ between the operating segments, and credit risks within these categories are therefore reviewed separately.

- Trade receivables from the Poultry segment consist mainly of retail and wholesale customers with the balance consisting of poultry farmers.
- Trade receivables in the Feed segment consist mainly of farming customers with limited exposure to retail customers.

	GROUP		COMPANY	
	2024 R'000	2023 R'000	**2024 R'000**	2023 R'000
Poultry	**1 376 856**	1 171 640	**–**	–
Farming	**42 771**	48 483	**–**	–
Retail and wholesale	**1 334 085**	1 123 157	**–**	–
Feed	**349 161**	317 303	**–**	–
Farming	**321 801**	292 401	**–**	–
Retail and wholesale	**27 360**	24 902	**–**	–
	1 726 017	1 488 943	**–**	–

Notes to the financial statements (continued)

for the year ended 30 September 2024

	GROUP		COMPANY	
	2024 R'000	2023 R'000	**2024 R'000**	2023 R'000
20. Cash and cash equivalents				
Cash at bank and in hand	**739 188**	713 436	**92 951**	92 687
Cash and cash equivalents include the following for purposes of the cash flow statement:				
Cash at bank and in hand	**739 188**	713 436	**92 951**	92 687
Bank overdrafts (note 27)	**(726 279)**	(1 144 089)	**–**	–
Cash and cash equivalents per the statement of cash flow	**12 909**	(430 653)	**92 951**	92 687
Reconciliation of net (overdraft)/cash (relevant information drawn from note 27):				
Bank overdrafts drawn on day-to-day basis	**(726 279)**	(1 144 089)	**–**	–
Overdrafts drawn specifically to manage liquidity headroom	**–**	(600 000)	**–**	–
Total bank overdrafts per note 27	**(726 279)**	(1 744 089)	**–**	–
Cash at bank and on hand	**739 188**	713 436		
Net cash/(borrowings) and cash equivalents	**12 909**	(1 030 653)	**92 951**	92 687
21. Share capital				
Authorised share capital				
75 000 000 ordinary shares of 1 cent each (2023: 75 000 000 ordinary shares of 1 cent each)	**750**	750	**750**	750
Issued share capital				
42 922 235 ordinary shares of 1 cent each (2023: 42 922 235 ordinary shares of 1 cent each)	**429**	429	**429**	429
Share premium	**89 971**	89 971	**89 971**	89 971
Total issued share capital and premium	**90 400**	90 400	**90 400**	90 400

All issued shares are fully paid.

	GROUP		COMPANY	
	Number of shares 2024	Number of shares 2023	**Number of shares 2024**	Number of shares 2023
Number of shares effectively in issue				
Issued shares	**42 922 235**	42 922 235	**42 922 235**	42 922 235
Treasury shares held by subsidiary and by participants in the forfeitable share scheme	**(4 484 950)**	(4 458 660)	**–**	–
	38 437 285	38 463 575	**42 922 235**	42 922 235
Unissued share capital				
Number of shares under the control of directors and available to be utilised for the purpose of the share option scheme at the end of the year	**4 292 400**	4 292 400	**4 292 400**	4 292 400

22. Other reserves

	Share-based payment reserve R'000	Non-distributable legal reserve R'000	Currency translation reserve R'000	Currency gains/(losses) on investment loans R'000	Total other reserves R'000
GROUP					
2023					
Balance at 1 October 2022	28 726	782	521	(8 890)	21 139
Provision for equity-settled payment costs	12 273				12 273
Shared forfeited due to non-vesting at cost	(11 744)				(11 744)
Settlement of forfeitable share scheme tranches	(16 170)				(16 170)
Currency loss on investment loans to foreign subsidiaries				(868)	(868)
Currency translation differences arising in year			(38 455)		(38 455)
Balance at 30 September 2023	13 085	782	(37 934)	(9 758)	(33 825)
2024					
Balance at 1 October 2023	**13 085**	**782**	**(37 934)**	**(9 758)**	**(33 825)**
Provision raised for equity-settled payment costs	**23 449**				**23 449**
Shared forfeited due to non-vesting at cost	**(14 306)**				**(14 306)**
Settlement of forfeitable share scheme tranches	**(7 370)**				**(7 370)**
Currency loss on investment loans to foreign subsidiaries				**(975)**	**(975)**
Currency translation differences arising in year			**(54 937)**		**(54 937)**
Balance at 30 September 2024	**14 858**	**782**	**(92 871)**	**(10 733)**	**(87 964)**

The non-distributable legal reserve relates to a foreign statutory requirement whereby a portion of reserves of a foreign subsidiary is regarded as non-distributable.

The movement in the currency translation reserve relates to the fluctuations of the functional currencies in which the other African subsidiaries conduct their business activities, against the South African Rand.

23. Deferred tax

Deferred tax is calculated on all temporary differences under the liability method, using a principal tax rate of 27 % (2023: 27 %).

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 deferred taxes relate to the same fiscal authority.

Deferred tax liabilities

Movement on the deferred tax liability account is as follows:

	GROUP	
	2024 R'000	2023 R'000
Opening balance	**520 137**	777 830
Charge related to items in other comprehensive income	**(1 100)**	1 958
Charge to profit and loss	**189 008**	(259 651)
Originating and reversal of temporary differences	**187 108**	(259 637)
Adjustment to amounts recognised in prior year	**1 900**	(14)
At end of year	**708 045**	520 137

Notes to the financial statements (continued)

for the year ended 30 September 2024

23. Deferred tax

	Opening balance R'000	Charge to profit and loss R'000	Charged/ (release) to other comprehensive income R'000	Closing balance Restated R'000
Analysis of deferred tax liabilities:				
GROUP				
2023				
Temporary differences giving rise to deferred tax liabilities				
Accelerated tax allowances on assets	673 741	(4 370)	–	669 371
Temporary difference on livestock and farming consumables	274 316	(28 323)	–	245 993
Lease liability	83 612	(10 161)	–	73 451
Temporary differences giving rise to deferred tax assets				
Right-of-use assets	(77 981)	10 073	–	(67 908)
Provision for retirement benefit obligations	(22 829)	(404)	1 958	(21 275)
Provision for long-term retention payments	(25 549)	11 828	–	(13 721)
Provision for outstanding leave pay	(32 597)	(883)	–	(33 480)
Provision for incentive bonuses	(65 400)	57 309		(8 091)
Provision for claims and trade discounts	(40 922)	13 429		(27 493)
Provision for long service awards	(10 738)	7 830*	–	(2 908)*a
Tax losses utilised to reduce deferred tax liability	–	(285 137)*		(285 137)*b
Other	22 177	(30 842)*	–	(8 665)*c
	777 830	(259 651)	1 958	520 137
2024				
Temporary differences giving rise to deferred tax liabilities				
Accelerated tax allowances on assets	**669 371**	**34 434**	**–**	**703 805**
Temporary difference on livestock and farming consumables	**245 993**	**81 430**	**–**	**327 423**
Lease liability	**73 451**	**(23 905)**	**–**	**49 546**
Temporary differences giving rise to deferred tax assets				
Right-of-use assets	**(67 908)**	**19 817**	**–**	**(48 091)**
Provision for retirement benefit obligations	**(21 275)**	**(2 417)**	**1 100**	**(22 592)**
Provision for long-term retention payments	**(13 721)**	**(3 888)**	**–**	**(17 609)**
Provision for outstanding leave pay	**(33 480)**	**1 668**	**–**	**(31 812)**
Provision for incentive bonuses	**(8 091)**	**(52 293)**	**–**	**(60 384)**
Provision for claims and trade discounts	**(27 493)**	**4 558**	**–**	**(22 935)**
Provision for long service awards	**(2 908)**	**2 718**	**–**	**(190)**
Tax losses utilised to reduce deferred tax liability	**(285 137)**	**104 434**	**–**	**(180 703)**
Other	**(8 665)**	**20 252**	**–**	**11 587**
	520 137	**186 808**	**1 100**	**708 045**

* *Numbers were restated due to a typesetting error that was overlooked in the prior year. No changes were required to any of the primary statements. The impact of the restatement was to change "*a" long service awards from -R285.1 million to -R2.9 million, "*b" tax losses utilised to reduce deferred tax liability from -R17.5 million to -R285.1 million, and "*c" other from R8.9 million to -R8.7 million.*

A deferred tax liability of R36 945 000 (2023: R35 506 000) has not been recognised in respect of withholding tax in the event of all the retained earnings of the foreign subsidiaries are distributed by future dividend declarations.

	Post-employment medical benefits (Note 25) R'000	Long-term retention benefits R'000	Performance incentives and long service awards R'000	Outstanding leave obligations R'000	Total R'000

24. Employee benefit obligations

	Post-employment medical benefits (Note 25) R'000	Long-term retention benefits R'000	Performance incentives and long service awards R'000	Outstanding leave obligations R'000	Total R'000
GROUP					
2023					
Balance at 1 October 2022	84 551	94 626	252 962	120 730	552 869
Payments against provision	–	(45 257)	(257 341)	(10 765)	(313 363)
Increase/(decrease) in provision	(5 755)	1 449	45 115	14 034	54 843
Balance at 30 September 2023	78 796	50 818	40 736	123 999	294 349
Non-current provision	70 075	25 629	7 693	–	103 397
Current provision	8 721	25 189	33 043	123 999	190 952
	78 796	50 818	40 736	123 999	294 349
2024					
Balance at 1 October 2023	**78 796**	**50 818**	**40 736**	**123 999**	**294 349**
Payments against provision	**–**	**(24 203)**	**(25 627)**	**(11 852)**	**(61 682)**
(Decrease)/increase in provisions	**4 879**	**38 602**	**209 242**	**5 675**	**258 398**
Balance at 30 September 2024	**83 675**	**65 217**	**224 351**	**117 822**	**491 065**
Non-current provision	**75 162**	**40 832**	**–**	**–**	**115 994**
Current provision	**8 513**	**24 385**	**224 351**	**117 822**	**375 071**
	83 675	**65 217**	**224 351**	**117 822**	**491 065**

The amounts provided for payment in respect of long-term retention benefits have been discounted at rate a rate of 11.75 % (2023: 9.0 %).

The long-term retention benefits are based on achieving certain performance conditions over a three-year vesting period from the date of allocation of the benefit. Allocations are made every year effective 1 October. The provision is based on an assessment to the extent that performance targets will be achieved. It is estimated that not all performance targets will be achieved.

The increase in the employee benefit obligations is mainly as result of the increase in short-term incentives, following the prior year loadshedding and HPAI driven loss for the year and the resumption of incentive achievement.

Notes to the financial statements (continued)

for the year ended 30 September 2024

25. Post-employment medical benefits

The Group provides post-retirement healthcare benefits to some of its current and retired employees – refer to paragraph 19 of the accounting policies for more detail regarding the post-employment medical plan. Benefits paid and the movement in the provision are charged against profits in the current period. Re-measurements are charged to other comprehensive income.

	GROUP	
	2024 R'000	2023 R'000
Present value of funded obligations per actuarial valuation at 30 September		
Balance at beginning of year	**78 796**	84 551
Current service cost	**291**	311
Interest costs	**8 271**	9 187
Re-measurement	**4 073**	(7 258)
Benefits payments	**(7 756)**	(7 995)
Balance at end of year	**83 675**	78 796
Amounts recognised in the profit and loss:	**8 562**	9 498
Current service costs	**291**	311
Interest costs	**8 271**	9 187
Amounts recognised in other comprehensive income:		
Re-measurement	**4 073**	(7 258)
Arising from changes in financial assumptions	**8 845**	(8 821)
Arising from changes in demographic assumptions	**(4 679)**	1 505
Miscellaneous	**(93)**	58
Estimated employer benefits payable during next 12 months	**8 513**	8 721
The liability recognised in the financial statements was actuarially valued at 30 September 2024 (previous valuation date: 30 September 2023). The liability was valued using the Projected Unit Credit valuation method which is the same method used in the prior year.		
Discount rate	**10.24%**	11.80 %
Health care cost inflation:		
In service members	**6.69%**	8.21 %
Continuation members	**6.50%**	8.31 %

Pre-retirement mortality rates as per SA 85-90 (Light) ultimate table

Post-retirement mortality rates as per PA (90) ultimate table rated down two years plus an improvement of 0.75 % per annum from a base year of 2006.

	Accrued liability	% change
Sensitivity analysis		
Discount rate increases by 1 % p.a.	77 609	(7.2 %)
Discount rate reduces by 1 % p.a.	90 676	8.4 %
Subsidy inflation increases by 1 % p.a.	90 616	8.3 %
Subsidy inflation reduces by 1 % p.a.	77 260	(7.7 %)
Mortality rate decreases by 1 year	86 388	3.2 %

A deterministic model has been used to calculate the projected cash flows and the corresponding sensitivity results. The results are point estimations and a limitation of this model is that a limited range of results is available for the sensitivity results.

25. Post-employment medical benefits (continued)

The present values of the defined benefit obligation and the experience adjustment were as follows:

	R'000	Experience adjustment
29 September 2024	83 675	5 %
30 September 2023	78 796	(9 %)
30 September 2022	84 551	(9 %)
30 September 2021	89 730	(7 %)
30 September 2020	89 477	(3 %)

		GROUP		COMPANY	
		2024 R'000	2023 R'000	2024 R'000	2023 R'000
26. Trade and other payables					
Financial instruments					
Trade payables		**1 854 101**	1 826 043		
Accruals and other payables		**252 904**	373 488	**1 641**	701
Non-financial instruments					
VAT payable		**40 821**	26 484		
Provision for contribution to local Government water supply infrastructure repairs		**–**	307		
HPAI provision		**–**	16 000		
Other		**30 106**	3 679		
		2 177 932	2 246 001	**1 641**	701
Payment terms for trade payables are usually 30 days from date of statement.					
The carrying amounts of the Group's trade and other payables are denominated in the following currencies:					
SA Rand		**2 114 279**	2 178 146		
Zambian Kwacha		**47 696**	49 638		
Mozambican Meticais		**145**	1 258		
US Dollar		**15 812**	16 959		
		2 177 932	2 246 001	**–**	–
27. Bank overdraft and borrowings					
27.1 Bank overdrafts and other borrowings	ref.				
Loans from subsidiaries		**–**	–	**45 912**	44 118
Revolving credit facility – construction of feed mill (Zambia)		**25 310**	–	**–**	–
Bank overdrafts	a	**726 279**	1 744 089	**–**	–

The general banking facilities (GBFs) have been restructured during the current financial year. The facilities remain unsecured and carry a maturity profile of 365 days and are therefore no longer classified as "on-demand" type facilities. They carry no covenant obligations. The banks providing the GBFs are providing such facilities on a pari passu exposure basis. The facilities are from now reviewed annually. Also refer to note 29.5 for discussion of the liquidity risks.

Notes to the financial statements (continued)

for the year ended 30 September 2024

27. Bank overdraft and borrowings (continued)

27.1 Bank overdrafts and other borrowings (continued)

The carrying amounts of the Group's borrowings are denominated in the following currencies:

	GROUP		COMPANY	
	2024 R'000	2023 R'000	**2024 R'000**	2023 R'000
SA Rand	**699 606**	1 720 598	**45 912**	44 118
Zambian Kwacha	**51 983**	23 491	**–**	–
	751 589	1 744 089	**45 912**	44 118

27.2 Net debt/surplus cash reconciliation

	GROUP 2024 R'000	GROUP 2023 R'000	COMPANY 2024 R'000	COMPANY 2023 R'000
Bank surplus funds	**739 188**	713 436	**92 951**	92 687
Bank overdrafts (note 27.1 ref. "a")	**(726 279)**	(1 744 089)	**–**	–
Cash and cash equivalents per statement of cash flows	**12 909**	(1 030 653)	**92 951**	92 687
Revolving credit facility – construction of feed mill (Zambia)	**(25 310)**			
Lease liabilities	**(183 504)**	(272 042)	**–**	–
Net (debt)/surplus funds	**(195 905)**	(1 302 695)	**92 951**	92 687

27.3 Financing activities

	Leases R'000	Cash and cash equivalents R'000	Total R'000
GROUP			
Balance at 30 September 2022	(309 673)	701 018	391 345
Cash flows	82 070	(1 129 262)	(1 047 192)
Effect of exchange rate changes	–	(2 409)	(2 409)
New leases	(64 293)	–	(64 293)
Termination of leases	21 095	–	21 095
Re-measurements	(1 241)	–	(1 241)
Balance at 30 September 2023	**(272 042)**	**(430 653)**	**(702 695)**
Cash flows	**100 607**	**495 333**	**595 940**
Effect of exchange rate changes	**–**	**(51 754)**	**(51 754)**
New leases	**(24 508)**	**–**	**(24 508)**
Termination of leases	**21 326**	**–**	**21 326**
Re-measurements	**(444)**	**–**	**(444)**
Balance at 30 September 2024	**(175 061)**	**12 926**	**(162 135)**

28. Financial instruments

	GROUP				COMPANY		
	Fair value through other comprehensive income R'000	Amortised cost R'000	Financial liabilities at amortised costs R'000	Total R'000	Amortised cost R'000	Financial liabilities at amortised costs R'000	Total R'000
2023							
Financial assets at fair value through other comprehensive income*							
Shares held in Quantum Foods Limited	97 755	–	–	97 755	–	–	–
Current receivables							
Trade receivables	–	1 517 459	–	1 517 459	4 000	–	4 000
Cash and cash equivalents							
Cash and bank	–	713 436	–	713 436	–	–	–
Current borrowings							
Bank overdrafts	–	–	1 744 089	1 744 089	–	–	–
Loans from subsidiaries	–	–	–		–	44 118	44 118
Shareholders for dividend	–	–	3 350	3 350	–	3 350	3 350
Current financial liabilities							
Trade payables		–	1 826 043	1 826 043	–	–	–
Accruals	–	–	373 488	373 488	–	701	701
2024							
Current receivables							
Trade receivables	**–**	**1 772 886**	**–**	**1 772 886**	**–**	**–**	**–**
Cash and cash equivalents							
Cash and bank	**–**	**739 188**	**–**	**739 188**	**–**	**–**	**–**
Current borrowings							
Bank overdrafts	**–**	**–**	**726 279**	**726 279**	**–**	**–**	**–**
Loans from subsidiaries	**–**	**–**	**–**	**–**	**–**	**45 912**	**45 912**
Shareholders for dividend	**–**	**–**	**3 350**	**3 350**	**–**	**3 350**	**3 350**
Current financial liabilities							
Trade payables	**–**	**–**	**1 854 101**	**1 854 101**	**–**	**–**	**–**
Accruals	**–**	**–**	**252 904**	**252 904**	**–**	**1 641**	**1 641**

* *The comparative note was adjusted to include the financial instruments with a designation of "Fair value through other comprehensive income".*

Trade receivables represents the payment of principal amounts and interest, are held for contractual cash flows and are therefore accounted at amortised costs.

Notes to the financial statements (continued)

for the year ended 30 September 2024

29. Financial Risk Management

The responsibility of the overall financial risk of the Group vests with the Board of directors which has an overall responsibility to ensure the Group operates within acceptable risk parameters.

In exercising this responsibility, the Board assesses amongst others, the appropriate levels of capital investment on expansion projects, the quantum of dividend payments, and strategy on procurement of raw materials against the outlook of near and longer term trading conditions.

The Board is assisted in this function by the Audit and Risk Management Committee which also assesses the business risks, as identified by management from time to time, and the appropriate compensating controls to manage and mitigate the impact of the risks.

The Group is exposed to the following major financial risks:

29.1 Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss to the other party by failing to discharge an obligation.

Trade receivables and deposits with banks are subject to credit risk and are managed by the Group Credit Executive and Chief Financial Officer.

Trade receivables:

The Group's main credit risk is concentrated in the aggregate balance of trade receivables.

Trade receivables are categorised according to the different business segments as the profile of customers differs between the operating segments.

The credit risks of each individual customer within these categories are reviewed annually.

- Trade receivables from the Poultry segment consist mainly of retail and wholesale customers with the balance consisting of poultry farmers.
- Trade receivables in the Feed segment consist mainly of farming customers with limited exposure to retail customers.

The Group assesses credit risk on initiation and continuously monitors exposure.

Initially: The granting of credit in relation to trade receivables is controlled by the application of a number of credit controlling procedures, namely:

- Credit risk insurance cover.
- Customers' credit risks are individually assessed and, where necessary, additional security is requested from the customer.
- Credit limits are set for customers and control procedures are in place to ensure adherence to those limits.
- Requirement that customers should provide updated statements of assets and liabilities.
- No credit terms to customers regarded as high risk as per the internal credit risk assessment.
- New credit terms are approved and signed off by the Chief Executive Officer.

Subsequently: The subsequent credit control procedures include:

- Regular visits and communication with customers.
- Annual re-assessment of the credit worthiness of customers.
- Immediate follow-up on late payments.
- In the event a customer is unable to pay, further trading with the customer is suspended.
- Changes to existing credit terms are approved and signed off by the Chief Executive Officer.

29. Financial Risk Management (continued)

29.1 Credit risk (continued)

Exposure to trade receivables comprise a large, widespread customer base within each business segment/category and is as follows at 30 September:

	GROUP		COMPANY	
	2024 R'000	2023 R'000	**2024 R'000**	2023 R'000
Current				
Accounts receivable	**1 726 017**	1 488 943	**–**	–
Less: Provision for doubtful debts	**(5 301)**	(906)	**–**	–
Net accounts receivable	**1 720 716**	1 488 037	**–**	–
Other financial instrument receivables	**52 170**	29 422	**–**	–
	1 772 886	1 517 459	**–**	–
The table below sets out fully performing, past due but not impaired as well as the impaired receivables and the provision against such receivables:				
Fully performing – due by up to 30 days	**1 716 436**	1 487 211	**–**	–
Outstanding longer than 30 days	**9 581**	1 732	**–**	–
Past due by 31 to 60 days	**3 616**	704	**–**	–
Past due by more than 60 days	**5 965**	1 028	**–**	–
	1 726 017	1 488 943	**–**	–

The receivables outstanding longer than 30 days per category:

	Poultry R'000	Feed R'000	Total R'000
GROUP			
2023			
Past due by 31 to 60 days	–	704	704
Past due by more than 60 days	–	1 028	1 028
	–	1 732	1 732
2024			
Past due by 31 to 60 days	**1 685**	**1 931**	**3 616**
Past due by more than 60 days	**799**	**5 166**	**5 965**
	2 484	**7 097**	**9 581**

Loss allowance

The trade receivables do not have a significant financing component and the simplified approach has been applied to calculated the loss allowance based on lifetime expected credit losses.

A loss allowance is calculated by each individual business unit in the Group, based on its historical loss experience and its particular customer profile which represents trade receivables with shared characteristics and specific characteristics which are influenced by the geographical area where they operate as well as the nature of their businesses.

Provision for losses against specific trade receivables are made in the event circumstances indicate to a high probability of non-payment. A loss allowance is then calculated on the balances of the population of trade receivables excluding the delinquent isolated cases of non-payment. These are very few and usually limited to less than five customers across the entire Group.

Notes to the financial statements (continued)

for the year ended 30 September 2024

29. Financial Risk Management (continued)

29.1 Credit risk (continued)

2024

No expected credit loss (ECL) allowances was calculated for the year as the client portfolios are not experiencing credit losses as a portfolio of clients. The losses incurred during the year were isolated instances with unique circumstances for only two debtors.

2023

The assessment of the requirement for an ECL was performed. Based on the population not indicating any material risk of loss the calculation resulted in a nil-answer. Accordingly, no expected credit loss (ECL) allowances for the year are considered necessary as the client portfolios are not experiencing credit losses as a portfolio of clients. The losses incurred during the year were isolated instances with unique circumstances for only two debtors.

The movement in the impairment loss allowance in respect of trade receivables was as follows:

	GROUP	
	2024 R'000	2023 R'000
Balance at beginning of year	**(906)**	(2 329)
Net movement for the year	**(4 395)**	1 423
Reversal of prior year loss allowance	**–**	1 423
Current year loss allowance	**–**	–
Provision against specific trade receivables	**(4 395)**	–
Balance at end of year	**(5 301)**	(906)

Movement in the loss allowance has been included in the profit and loss as part of administrative expenses under Other expenses.

The change in the quantum of the provision was due to the collection of amounts provided at the previous balance sheet date during the course of the current financial year.

The loss allowance is categorised as follows:

	Poultry R'000	Feed R'000	Total R'000
GROUP			
2023			
Farming	–	(906)	(906)
Retail and wholesale	–	–	–
	–	(906)	(906)
2024			
Farming	**–**	**(5 301)**	**(5 301)**
Retail and wholesale	**–**	**–**	**–**
	–	**(5 301)**	**(5 301)**

Prior year nil.

29. Financial Risk Management (continued)

29.1 Credit risk (continued)

The Group holds the following security over trade receivables in the form of bank guarantees, covering bonds over property and credit guarantee insurance cover:

	Poultry R'000	Feed R'000	Total R'000
GROUP			
2023			
Bank guarantees	–	10 052	10 052
Corporate guarantees	–	1 065	1 065
Notarial bonds over moveable assets	22 000	10 395	32 395
Credit Guarantee Insurance Cover	383 683	–	383 683
	405 683	21 512	427 195
2024			
Bank guarantees	**4 500**	**2 534**	**7 034**
Corporate guarantees		**–**	**–**
Notarial bonds over moveable assets	**22 000**	**5 696**	**27 696**
Credit Guarantee Insurance Cover	**291 717**	**–**	**291 717**
	318 217	**8 230**	**326 447**

The credit quality of the trade receivables can be illustrated according to the different risk profiles:

	Poultry R'000	Feed R'000	2024 Total R'000	2023 Restated Total R'000
GROUP				
Low risk	1 374 372	342 064	**1 716 436**	1 487 211
General risk	1 685	1 931	**3 616**	704*
High risk	799	5 166	**5 965**	1 028
	1 376 856	349 161	**1 726 017**	1 488 943

* *Numbers were restated due to a typesetting error that was overlooked in the prior year. The impact of the restatement resulted in "General risk" changing from R309.3 million to R0.7 million. No changes were required to any of the primary statements.*

Trade receivables are categorised into the following risk profiles:

- Low risk: National customers with a low risk profile
- General risk: All other customers not classified as low or high risk
- High risk: Customers with solvency and liquidity concerns, and existing customers in arrears as a result of financial difficulties. No changes were required to any of the primary statements.

The largest single credit risk at 30 September amounts to R664 million (2023: R523 million) in the Poultry segment which has a low credit risk profile.

Cash and cash equivalents:

Dealings with counterparties arising from derivative instruments are limited to well-established financial institutions of high credit standing.

Cash at bank represent surplus funds on current bank and overnight call accounts. These funds are held by financial institutions of good standing with Standard & Poor's ratings for short-term local currency of B.

Notes to the financial statements (continued)

for the year ended 30 September 2024

29. Financial Risk Management (continued)

29.2 Market risk – interest rate 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 interest rates.

The Group's interest rate risk is limited to surplus funds on cash deposits, loan liabilities and funds borrowed on bank overdrafts.

Interest is at variable rates which are linked to money market-related rates and the bank prime lending rates.

Interest rate risk is managed by the Chief Financial Officer considering the Group's net borrowings and surplus funds, as well as considering forward levels of interest rates from time to time.

Based on the financial instruments as at 30 September 2024, the after tax effect of a 1% movement in the interest rates on the statement of comprehensive income would be R129 000 (2023: R7 421 000).

The Group's main income and operating cash flows are substantially independent of changes in the market interest rates.

29.3 Market risk – foreign exchange rate risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group enters into transactions from time to time in currencies which are different from the functional currencies in which it conducts its business activities, which result in exposure to foreign exchange rate fluctuations.

Exposure to exchange rate fluctuations is managed by utilising forward exchange contracts and currency option contracts in consultation with the Chief Financial Officer when management regards it prudent. Forward exchange contracts entered into are related to specific statement of financial position items.

The following Rand value items reported in the financial statements are exposed to foreign exchange rate fluctuations at 30 September:

	Foreign currencies translated to ZAR R'000
2023	
Financial assets – cash and cash equivalents	7 107
Financial liabilities – trade and other receivables	5 471
Financial liabilities – trade and other payables	(25 450)
	(12 872)
2024	
Financial assets – cash and cash equivalents	**35 609**
Financial liabilities – trade and other receivables	**20 669**
Financial liabilities – trade and other payables	**(63 653)**
	(7 375)

A 10% movement in the exchange rate against the currencies the Group trade with, will result in a R538 000 after tax effect in the profits of the Group (2023: R927 000).

There were no open foreign exchange contracts at 30 September 2024 (2023: nil).

29. Financial Risk Management (continued)

29.4 Market risk – price risk

This is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or by factors affecting all similar financial instruments traded in the market.

Commodity price risk

The prices of commodities used by the Group fluctuate widely and in a competitive market it is not always possible to recover material commodity price increases from customers. This impacts the Group's profitability. Commodity price fluctuations are normally caused by factors such as supply conditions, weather, exchange rate fluctuations and other economic conditions which are outside the control of the Company.

These risks are managed through an established process whereby the various conditions which influence commodity prices are monitored on a daily basis. Hedging against these risks are done by appropriate decision on the procurement of raw materials which includes entering into forward contracts for delivery of raw materials at pre-determined prices. These procurement decisions are taken by executive management within Board approved mandates. Detailed statements of raw material contracts are prepared and submitted on a monthly basis to the Chief Executive Officer. In all cases the Group takes physical delivery of each procurement decision.

Poultry products price risk

Poultry producers have limited influence over prices of broiler products in the retail market. These prices are highly sensitive to the supply and demand balance for broiler products. Imbalances in supply and demand are caused by a combination of a number of factors; the uncontrolled import and dumping of chicken products onto the South African market, production levels and supply from local producers, and the financial strength of the local consumer are the more important factors.

The management of this risk is done by the poultry management team through appropriate production planning, cost control, improvement in efficiencies and reduction of costs through continuous upgrading of processes, equipment and facilities.

29.5 Going concern and liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Group has borrowings and other financial liabilities.

The Group has good cash flow generation capabilities. During periods of normalised profit margins, i.e. when there are no prolonged adverse movements in the cost of commodities and/or prices of poultry products, surplus cash is generated and accumulated in the business. During periods of lower profit margins, both working capital requirements as well as capital expenditures on property, plant and equipment are financed from cash generated from business activities and available short-term bank facilities.

Liquidity facilities were put in place with the Group's lenders to ensure all of the Group's liquidity requirements are met on a day-to-day basis. These facilities (also refer note 27 and 29.6) are on demand facilities with major banks and are reviewed on a regular basis to reflect current market conditions and developments in the sustainability and quantum of such facilities.

Notes to the financial statements (continued)

for the year ended 30 September 2024

29. Financial Risk Management (continued)

29.5 Going concern and liquidity risk (continued)

Further to the liquidity lines being put in place, management has undertaken a turnaround intervention action list. This is proving successful with all of the controllable metrics performing well. The market remains constrained though, and this places continued pressure on the liquidity position of the Group further emphasising the Group's dependency on the banks' continued support in the form of existing general banking facilities, the amount available from three banking institutions on a pari passu basis amounts to unutilised facilities of R1.2 billion.

The following table compares the contractual cash flows of debt owed at 30 September 2024, with the carrying amount in the consolidated balance sheet, in Rand. The contractual amounts reflect the differences from carrying amounts due to the effects of discounting and premiums. Interest is estimated assuming interest rates applicable to variable rate debt – remain constant.

	Within 1 year R'000	Between 1 and 5 years R'000	More than 5 years R'000	Total R'000
GROUP				
2023				
Lease payments	111 589	188 146	32 450	332 185
Trade and other payables	2 266 484			2 266 484
Shareholders for dividend	3 350			3 350
Bank overdraft	1 744 089			1 744 089
	4 125 512	188 146	32 450	4 346 108
2024				
Lease payments	**72 356**	**122 929**	**35 513**	**230 798**
Trade and other payables	**2 364 254**			**2 364 254**
Shareholders for dividend	**3 350**			**3 350**
Bank overdrafts and other borrowings (refer to note 27 for more detailed disclosures)	**751 589**			**751 589**
	3 191 549	**122 929**	**35 513**	**3 349 991**

	Within 1 year R'000	Between 1 and 5 years R'000	More than 5 years R'000	Total R'000
COMPANY				
2023				
Lease payments				
Trade and other payables	701	–	–	701
Shareholders for dividend	3 350	–	–	3 350
Loan from National Chicks (subsidiary)	44 118			44 118
Bank overdraft	–	–	–	–
	48 169	–	–	48 169
2024				
Lease payments				**–**
Trade and other payables	**1 641**	**–**	**–**	**1 641**
Shareholders for dividend	**3 350**	**–**	**–**	**3 350**
Loan from National Chicks (subsidiary)	**45 912**			**45 912**
Bank overdraft	**–**			**–**
	50 903	**–**	**–**	**50 903**

29. Financial Risk Management (continued)

29.5 Going concern and liquidity risk (continued)

The following table sets out the contractual terms of the borrowings and other financial liabilities:

	Repayment date	Fixed/variable interest	Interest rate	Security or other relevant terms
Trade payables	current	n.a.	n.a.	none
Accruals	current	n.a.	n.a.	none
Bank overdrafts – ZAR denominated	current	variable	10.0 % – 11.8 % (2023: 10.0 % – 10.5 %)	none
Bank overdrafts – Kwacha denominated	current	variable	15.0 % – 18.0 % (2023: 14.5 % – 15.8 %)	Mortgage bond over property and floating charge over inventory and trade receivables

The liquidity risks are managed by the Chief Financial Officer on a group level through a combination of the following:

- monitoring of trading stock levels;
- monitoring of outstanding trade receivables;
- monitoring of daily bank balances;
- calculating an eight-week rolling forecast of bank balances on a weekly basis;
- conducting long-term cash flow forecasts at regular intervals; and
- the arrangement of access to short and long-term borrowing facilities from financial institutions.

Financing of major capital expenditure items are done from a combination of borrowed funds as well as from surplus cash when accumulated over a period of time.

The general borrowing facilities from the banks, together with cash generated from operating activities are utilised to finance the normal on-going operating requirements of the Group, which include working capital requirements, normal capital expenditure and payment of dividends.

Group borrowing facilities

The borrowing facilities, which are reviewed on a regular basis, are held at three different banks and R1 200 000 000 is immediately accessible, and may be drawn at any time.

	GROUP		COMPANY	
	2024 R'000	2023 R'000	**2024 R'000**	2023 R'000
The Group has the following general borrowing facilities at floating interest rates:				
– Denominated in SA Rand				
Total facilities (refer to note 27 for more detailed disclosure)	**1 200 000**	2 400 000	**–**	–
Unutilised facilities at year end	**500 394**	1 392 838	**–**	–
– Denominated in Zambian Kwacha				
Total facilities	**82 500**	29 604	**–**	–
Unutilised facilities at year end	**30 517**	6 113	**–**	–

Notes to the financial statements (continued)

for the year ended 30 September 2024

29. Financial Risk Management (continued)

29.5 Going concern and liquidity risk (continued)

The facilities at the Zambian subsidiaries are covered by securities over assets with the following carrying values:

	GROUP		COMPANY	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
Land and buildings	–	19 613	–	–
Inventory	–	114 742	–	–
Trade receivables	–	27 674	–	–

Zambian facilities are secured through a parent company guarantee, accordingly releasing the assets in country from its encumbrances.

29.6 Fair value estimation

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

Sensitivity	Input
A change of 2.5% in recoverable value of biological assets would result in R33.3 million change in the fair value (2023: R26.2 million)	Recoverable value price per ton – poultry

Relationship to unobservable input to fair value	Description	Fair value at September 2024 (R'000)	Technique	Unobservable inputs	Range of unobservable inputs
The higher the mortality, the lower the fair value	Chickens stock	1 331 399	Replacement cost of the components of growing the biological assets	Mortality rates	3% – 8%
The higher the average live mass, the higher the fair value	Chickens stock			Average live mass	1.7kg – 2.0kg
The higher the feed cost per ton, the higher the fair value	Chickens stock			Feed cost	R7 900 – R8 900

Relationship to unobservable input to fair value	Description	Restated Fair value at September 2023 (R'000)	Technique	Unobservable inputs	Range of unobservable inputs
The higher the mortality, the lower the fair value	Chickens stock	1 047 569	Replacement cost of the components of growing the biological assets	Mortality rates	2% – 15%
The higher the average live mass, the higher the fair value	Chickens stock			Average live mass	1.7kg – 3.5kg
The higher the feed cost per ton, the higher the fair value	Chickens stock			Feed cost	R8 000 – R9 000

The sensitivity is required by IFRS 13 and has been included for the prior year in addition to the current year's disclosure. The information disclosed did not change any of the numbers in the primary statements.

29. Financial Risk Management (continued)

29.7 Capital risk

The Group manages its capital in order not to have exposure to abnormal high debt position and to provide adequate return on capital employed.

The Group continuously monitors its net debt to equity ratio.

Debt incurred from time to time by the Group consists mainly of the following:

- bank overdrafts
- long-term loans for the financing of specific major expansion projects when required

Surplus cash situations occur from time to time as result of cyclicality in profits.

Equity comprises all components of equity as disclosed in the statement of financial position.

The Group is in a net surplus cash position with the net surplus cash relative to equity as at 30 September as follows:

	GROUP		COMPANY	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
Cash and cash equivalents – refer note 20	739 188	713 436	92 951	92 687
Total debt – refer note 27	(726 279)	(1 744 089)	–	–
Net (overdraft)/surplus cash	12 909	(1 030 653)	92 951	92 687
Borrowings	(25 310)	–	–	–
Net debt	(12 401)	(1 030 653)	92 951	92 687
Total capital				
Equity	4 752 361	4 019 463	276 041	278 520
Debt as % of equity	0.3%	25.6 %	0.0%	0.0 %

30. Share-based payments

Forfeitable share plan

The forfeitable share plan which is equity-settled, allows the allocation of Astral Foods Ltd shares to participants in the scheme. The allocated shares are subject to a three-year vesting period during which the shares are disclosed as treasury shares.

The shares are registered in the name of the participants and they are entitled to receive dividends on the shares. Dividends paid are accounted for as cash-settled share-based payments.

Upon vesting, the fair value delivered to the participants is based on the fair value attached to the shares (i.e. its market price). The cost to the Company remains the historical cost it paid for the relevant shares.

Detail of restricted shares acquired during the year are as follows:

Shares were acquired in the open market, at market value, during the year by Astral Operations Limited at a cost of R28 390 000 (2023: R13 279 000).

Participants were awarded 177 524 (2023: 78 790) Astral shares. Refer to note 32 for detail.

The service cost recognised in the income statement by the Group in the current year in respect of the restricted shares granted, amounts to R12 457 000 (2023: R12 273 000).

Notes to the financial statements (continued)

for the year ended 30 September 2024

31. Related party transactions

Directors' remuneration

Details of directors' remuneration is given in note 32. Executive directors are eligible for an annual performance-related bonus payment linked to appropriate group targets. The structure and payment of bonuses are decided by the Human Resources, Remuneration and Nominations Committee.

Details of participation in the forfeitable share plan are given in note 32.

Key management

Employees fulfilling the role of key management are the executive directors and the prescribed officers as listed in note 32.

Principal subsidiary undertakings

Details of subsidiaries in the Group are set out in notes 35 to the financial statements.

Cross guarantees

Astral Operations Limited is the borrower-entity. A cross guarantee incorporating a pledge and cession of loan funds between the bank, the borrower and its subsidiaries as guarantors has been given by Meadow Feeds Eastern Cape (Pty) Limited and Meadow Feeds Standerton (Pty) Limited, subsidiaries of Astral Foods Limited (Astral Foods Limited itself is not a guarantor), in respect of borrowing facilities.

The fair value of a parent company guarantee, for the period it was still in place, was considered immaterial after assessing the likelihood of the risk of non-payment by the subsidiary businesses, also considering the possibility of the bank calling on the guarantee in the case where non-payment could have happened. This assessment was further supported by the going concern assumption confirmed by the Board of directors after due consideration.

Dividends received from subsidiaries

	GROUP		COMPANY	
	2024 R'000	2023 R'000	**2024 R'000**	2023 R'000
Subsidiaries of the parent	**–**	–	**–**	300 000

32. Directors' and prescribed officers' remuneration

Securities issued

Shares in Astral Foods Ltd were issued in terms of the forfeitable share plan. The shares are restricted and vesting is after three years from date of allocation, subject to certain performance conditions being met.

Date of allocation Vesting date of performance conditions Date for vesting as unrestricted shares	**1 Dec 2021 30 Sep 2024 1 Dec 2024 R'000**	**1 Dec 2022 30 Sep 2025 1 Dec 2025 R'000**	**1 Dec 2023 30 Sep 2026 1 Dec 2026 R'000**	**Total 2024 R'000**	Total 2023 R'000
Costs of restricted shares allocated					
Executive Directors					
CE Schutte	**12 190**	**5 144**	**12 860**	**30 194**	28 999
GD Arnold	**2 850**	**1 503**	**3 172**	**7 525**	6 847
DD Ferreira	**–**	**–**	**–**	**–**	6 635
JAI Ferreira	**–**	**1 187**	**3 005**	**4 192**	1 187
FG van Heerden	**2 400**	**1 266**	**2 671**	**6 337**	5 826
	17 440	**9 100**	**21 708**	**48 248**	49 494

32. Directors' and prescribed officers' remuneration (continued)

Date of allocation Vesting date of performance conditions Date for vesting as unrestricted shares	1 Dec 2021 30 Sep 2024 1 Dec 2024 R'000	1 Dec 2022 30 Sep 2025 1 Dec 2025 R'000	1 Dec 2023 30 Sep 2026 1 Dec 2026 R'000	Total 2024 R'000	Total 2023 R'000
Prescribed officers					
MJ Schmitz	2 400	1 266	2 671	6 337	5 842
O Lukhele	–	–	–	–	1 013
E Potgieter	1 550	818	1 725	4 093	3 741
G Jordaan	1 550	818	1 725	4 093	3 733
L Marupen	500	264	559	1 323	1 206
	6 000	3 166	6 680	15 846	15 535
	23 440	12 266	28 388	64 094	65 029

Date of allocation Vesting date of performance conditions Date for vesting as unrestricted shares	1 Dec 2021 30 Sep 2024 1 Dec 2024 Number of shares	1 Dec 2022 30 Sep 2025 1 Dec 2025 Number of shares	1 Dec 2023 30 Sep 2026 1 Dec 2026 Number of shares	Total 2024 Number of shares	Total 2023 Number of shares
Number of restricted shares allocated					
Executive Directors					
CE Schutte	72 837	30 523	80 416	183 776	184 749
GD Arnold	17 030	8 920	19 836	45 786	43 353
JAI Ferreira	–	7 042	18 792	25 834	7 042
FG van Heerden	14 340	7 511	16 704	38 555	36 922
	104 207	53 996	135 748	293 951	272 066
Prescribed officers					
MJ Schmitz	14 340	7 511	16 704	38 555	37 031
O Lukhele	–	–	–	–	6 009
E Potgieter	9 262	4 851	10 788	24 901	23 696
G Jordaan	9 262	4 851	10 788	24 901	23 637
L Marupen	2 988	1 572	3 496	8 056	7 644
	35 852	18 785	41 776	96 413	98 017
	140 059	72 781	177 524	390 364	370 083
Price per share (weighted average)	R167.36	R168.54	R159.92		

Notes to the financial statements (continued)

for the year ended 30 September 2024

32. Directors' and prescribed officers' remuneration (continued)

Date of allocation Vesting date of performance conditions Date for vesting as unrestricted shares	1 Dec 2021 30 Sep 2024 1 Dec 2024 Number of shares	1 Dec 2022 30 Sep 2025 1 Dec 2025 Number of shares	1 Dec 2023 30 Sep 2026 1 Dec 2026 Number of shares	Total 2024 Number of shares	Total 2023 Number of shares
Number of restricted shares expected to vest					
Executive Directors					
CE Schutte	24 765	8 072	10 662	43 499	62 815
GD Arnold	5 790	3 033	19 836	28 659	14 740
JAI Ferreira	–	2 394	18 792	21 186	2 394
FG van Heerden	4 876	2 554	16 704	24 134	12 554
	35 431	16 053	65 994	117 478	92 503
Prescribed officers					
MJ Schmitz	4 876	2 554	16 704	24 134	12 591
E Potgieter	3 149	1 649	10 788	15 586	8 056
G Jordaan	3 149	1 649	10 788	15 586	8 036
L Marupen	1 016	534	3 496	5 046	2 599
	12 190	6 386	41 776	60 352	31 282
	47 621	22 439	107 770	177 830	123 785

	Directors' fee/basic salary R'000	Travelling allowance and other payments R'000	Short-term incentives R'000	Turnaround incentive R'000	Long-term incentives R'000	Total 2024 R'000	Total 2023 R'000
Non-Executive Directors' fees							
For services as directors (excluding VAT)	4 987					**4 987**	4 987
T Eloff	1 302	–	–	–	–	**1 302**	1 302
DJ Fouché	1 081	–	–	–	–	**1 081**	1 081
TM Shabangu	859	–	–	–	–	**859**	859
S Mayet	559	–	–	–	–	**559**	559
WF Potgieter	605	–	–	–	–	**605**	605
A Cupido	581	–	–	–	–	**581**	581
Executive Directors' remuneration							
For managerial services	24 274	179	14 660	29 387	7 977	**76 477**	40 972
CE Schutte	9 526	24	5 980	10 816	4 426$	**30 772**	15 280
GD Arnold	5 287	41	3 112	6 015	1 915	**16 370**	7 163
DD Ferreira	–	–	–	–	–	**–**	10 226#^
FG van Heerden	4 452	77	2 620	5 043	1 636	**13 828**	5 092
JAI Ferreira	5 009	37	2 948	7 513	–	**15 507**	3 211*
Total directors' fees and remuneration	29 261	179	14 660	29 387	7 977	**81 464**	45 959

32. Directors' and prescribed officers' remuneration (continued)

	Directors' fee/basic salary R'000	Travelling allowance and other payments R'000	Short-term incentives R'000	Turnaround incentive R'000	Long-term incentives R'000	Total 2024 R'000	Total 2023 R'000
Prescribed officers' remuneration							
For managerial services	12 470	261	6 443	11 570	4 073	**34 817**	22 286
MJ Schmitz	4 452	44	2 620	5 037	1 642	**13 795**	5 987
E Potgieter	3 450	77	1 692	3 265	1 048	**9 532**	4 500
G Jordaan	3 450	86	1 692	3 268	1 045	**9 541**	4 477
O Lukhele	–	–	–	–	–	**–**@	4 423
L Marupen	1 118	54	439	–	338	**1 949**	1 277
JAI Ferreira	–	–	–	–	–	**–**	1 622@
Total directors' and prescribed officers' remuneration	41 731	440	21 103	40 957	12 050	**116 281**	68 245

Prescribed officers of the Group consist of the Company Secretary and employees who fulfil key roles in the management of the Group.

 # Fee/salary paid to date of retirement as director/prescribed officer.
@ Salary paid to date of ceasing to act as prescribed officer.
** Fee/salary paid from date of appointment as director.*
$ 100% of LTI allocation made on FSP. Refer FSP tables below for information on the vesting of number of shares.
^ Includes pro rata delivery of long-term incentives on date of retirement based on 'good-leaver' status on an accelerated vesting basis. The delivery is in terms of the remuneration policy.

Long-term incentives (LTI) payable based on current estimates:

Effective dates of allocation Vesting dates of performance conditions Payment dates	1 Oct 2021 30 Sep 2024 13 Dec 2024 R'000	1 Oct 2022 30 Sep 2025 12 Dec 2025 R'000	1 Oct 2023 30 Sep 2026 11 Dec 2026 R'000	Total 2024 R'000	Total 2023 R'000
Executive Directors:					
CE Schutte	**–**	**2 041**	**–**	**2 041**	2 624
GD Arnold	**969**	**1 533**	**3 172**	**5 674**	3 350
DD Ferreira	**–**	**–**	**–**	**–**	4 305
FG van Heerden	**816**	**1 291**	**2 671**	**4 778**	2 841
JAI Ferreira	**–**	**1 211**	**3 005**	**4 216**	1 211
Expected payments on condition performance targets are achieved	**1 785**	**6 076**	**8 848**	**16 709**	14 331
Liability included in Employee benefit obligations (note 24)	**(1 785)**	**(4 051)**	**(2 949)**	**(8 785)**	(7 418)
Contingent liability – included in Contingencies (note 34)	**–**	**2 025**	**5 899**	**7 924**	6 913

Notes to the financial statements (continued)

for the year ended 30 September 2024

32. Directors' and prescribed officers' remuneration (continued)

Effective dates of allocation Vesting dates of performance conditions Payment dates	1 Oct 2021 30 Sep 2024 13 Dec 2024 R'000	1 Oct 2022 30 Sep 2025 12 Dec 2025 R'000	1 Oct 2023 30 Sep 2026 11 Dec 2026 R'000	Total 2024 R'000	Total 2023 R'000
Prescribed officers:					
MJ Schmitz	816	1 291	2 671	4 778	2 846
E Potgieter	527	834	1 725	3 086	1 828
G Jordaan	527	834	1 725	3 086	1 825
O Lukhele	–	–	–	–	2 968
L Marupen	170	270	559	999	590
Expected payments on condition performance targets are achieved	2 040	3 229	6 680	11 949	10 057
Liability included in Employee benefit obligations (note 24)	(2 040)	(2 153)	(2 227)	(6 419)	(6 206)
Contingent liability – included in Contingencies (note 34)	–	1 076	4 453	5 530	3 851

Note 1 – Long-term incentives (LTI)

The executive directors and prescribed officers participate in both a Long-term Retention Plan (LRP) which is a deferred cash scheme, and in a Forfeitable Share Plan (FSP), in terms of which restricted shares are allocated to participants.

Details of the allocations made are as follows:

- **1 October 2021 with vesting date 30 September 2024**

  Allocations are apportioned between the LRP and the FSP.

  Performance conditions for both schemes relate to above-threshold production performance (PEF), headline earnings per share (HEPS) growth and return on net assets (RONA) which must be achieved over the three-year vesting period. Refer to the remuneration report for more detail on the scheme.

  Not all of the performance conditions have been achieved, and both payments and vesting of number of shares are lower.

- **1 October 2022 with vesting date 30 September 2025**

  Allocations are apportioned between the LRP and the FSP.

  Performance conditions for both schemes relate to above-threshold production performance (PEF), headline earnings per share (HEPS) growth and return on net assets (RONA) which must be achieved over the three-year vesting period. Refer to the remuneration report for more detail on the scheme.

  It is expected that not all of the performance conditions will be achieved, and both lower payments and vesting of lower number of shares are forecasted.

- **1 October 2023 with vesting date 30 September 2026**

  Allocations are apportioned between the LRP and the FSP.

  Performance conditions relate to above-threshold production performance (PEF), headline earnings per share (HEPS) growth, return on net assets (RONA) and compliance with ESG targets which must be achieved over the three-year vesting period. Refer to the remuneration report for more detail on the scheme.

  It is expected that all of the performance conditions will be achieved, and full payments and vesting of number of shares are forecasted.

32. Directors' and prescribed officers' remuneration (continued)

Note 2 – Short-term incentives (STI)

The executive directors and prescribed officers participate in an annual performance-based bonus scheme.

The bonus is calculated based on a pro rata share of 20% of the economic value added (EVA tm) during the past year. The net operating profit after tax (NOPAT) was not in excess of a predetermined threshold for the past year and no bonus payments in terms of the scheme have been provided. Refer to the remuneration report for more detail on the scheme.

	2024 Number of shares held	2023 Number of shares held
33. Directors' shareholding		
Directly held number of shares		
Beneficial interests		
Non-Executive Directors		
T Eloff	**1 150**	1 150
DJ Fouché	**9 571**	9 571
S Mayet	**1 000**	1 000
WF Potgieter	**2 000**	2 000
TM Shabangu	**1 200**	1 200
Executive Directors		
CE Schutte	**102 082**	74 410
JAI Ferreira	**–**	–
GD Arnold	**21 000**	14 965
FG van Heerden	**5 575**	3 079
The shareholdings represent discretionary investments by the directors	**143 578**	107 375
Shares held under forfeitable share plan in own name (refer note 32)	**293 951**	272 066
Total shares held by directors (as per directors' report)	**437 529**	379 441

There is no change in directors' shareholding up to the date of publication of financial statements.

	2024 R'000	2023 R'000
34. Contingencies and commitments		
Commitments		
Raw material contracted amounts not recognised in the balance sheet	**2 270 487**	2 749 006
The Group has contracted its raw material requirements from various suppliers in terms of future supply agreements		
Refer to note 13 for capital commitments regarding property, plant and equipment		
Long-term retention incentives not recognised in the balance sheet	**71 230**	48 879

The payment of the future contingency is on condition of achieving performance targets.

Notes to the financial statements (continued)

for the year ended 30 September 2024

35. Interest in subsidiary companies

Details of the principal subsidiary companies in the Group are as follows:

		Issued ordinary capital		Effective percentage holding	
		2024 R'000	2023 R'000	**2024 %**	2023 %
Unlisted investments					
Astral Operations Limited	a	**12**	12	**100**	100
Meadow Feeds Eastern Cape (Pty) Ltd	c	**–**	–	**100**	100
Meadow Feeds Standerton (Pty) Ltd	c	**–**	–	**100**	100
Africa Feeds Limited (Zambia)^	c	**29**	29	**100**	100
Progressive Poultry Limited^	d	**21**	21	**100**	100
National Chicks Limited	b	**dormant**	dormant	**dormant**	dormant
Meadow Moçambique Limitada*	c	**discontinued**	discontinued	**100**	100
Mozpintos Limitada*	d	**discontinued**	discontinued	**100**	100

^ *Incorporated in Zambia.*
* *Incorporated in Mozambique.*

Nature of business

a Animal feed and pre-mix production, broiler genetics and broiler breeding production, broiler operations, production and sale of day-old broilers and hatching eggs and analytical services

b Investment holding

c Animal feed production

d Production and sale of day-old broilers and hatching eggs

36. Events subsequent to balance sheet date

A new logistics contractor was engaged during November 2024 at one of the Group's operations. The logistics provider was engaged for a period of five years. No other events took place between year-end and the date of issue of these financial statements that would have a material effect on the financial statements as disclosed.

37. Restatement

Description

The Group, through its Feed division, sells feed to its customers with the option of delivery or collection. A fee is charged for the delivery option. The cost incurred in performing this service has historically been disclosed as "Distribution costs" included in operating expenses below the gross profit line. In line with IAS 2, the disclosure of the costs specifically relating to this service is considered to be directly related to the service and therefore, should be disclosed as "Cost of sales". Accordingly, this correction was made in the current year and the comparative numbers in the statement of comprehensive income has been restated as follows:

	2023 As previously stated R'000	2023 Restatement R'000	2023 Restated R'000
Revenue	19 250 955	–	19 250 955
Cost of sales	(17 385 151)	(333 461)	(17 718 612)
Gross profit	1 865 804	(333 461)	1 532 343
Administrative expenses	(753 884)	–	(753 884)
Distribution costs	(1 547 573)	333 461	(1 214 112)
Marketing expenditure	(327 522)	–	(327 522)
Other income	136 284	–	136 284
Other gains	6 016	–	6 016
(Loss)/profit before interest and tax	(620 875)	–	(620 875)

37. Restatement (continued)

Note 2 to the annual financial statements was also impacted and restated as follows:

	Cost of sales* R'000	Administrative expenses R'000	Distribution costs* R'000	Marketing expenditure R'000	Total R'000
As previously stated:					
2023					
Cost of raw material	12 261 581	–	–	–	12 261 581
Inventory written down and losses	70 767	–	–	–	70 767
Fair value adjustment to biological assets	(1 683)	–	–	–	(1 683)
Lease costs	117 811	3 280	4 729	642	126 462
Amortisation of intangibles	–	5 235	–	–	5 235
Depreciation on property, plant and equipment	203 249	11 429	4 144	10	218 832
Amortisation right-of-use assets	22 532	5 548	58 087	–	86 167
Repairs and maintenance	683 668	7 843	15 045	64	706 620
Water	119 012	667	41	–	119 720
Energy	1 135 863	6 499	12 745	2 565	1 157 672
Information technology-related costs	162	82 422	–	–	82 584
Advertising, marketing, promotional-related costs	–	–	–	247 315	247 315
Transport and distribution costs	14 866	–	1 219 988	–	1 234 854
Employee benefit expense (note 3)	1 857 947	286 411	90 752	62 315	2 297 425
Directors' remuneration (note 32)	–	45 959	–	–	45 959
Auditors' remuneration and related expenses	–	9 868	–	–	9 868
Other	899 376	288 723	142 042	14 611	1 344 752
	17 385 151	753 884	1 547 573	327 522	20 014 130
Restatement:					
2023					
Lease costs*	1 434	–	(1 434)	–	–
Amortisation right-of-use assets*	24 050	–	(24 050)	–	–
Transport and distribution costs*	307 977	–	(300 769)	–	7 208
Other*	–	–	(7 208)	–	(7 208)
	333 461	–	(333 461)	–	–

Notes to the financial statements (continued)

for the year ended 30 September 2024

37. Restatement (continued)

	Cost of sales* R'000	Administrative expenses R'000	Distribution costs* R'000	Marketing expenditure R'000	Total R'000
Restated:					
2023					
Cost of raw material	12 261 581	–	–	–	12 261 581
Inventory written down and losses	70 767	–	–	–	70 767
Fair value adjustment to biological assets	(1 683)	–	–	–	(1 683)
Lease costs*	119 245	3 280	3 295	642	126 462
Amortisation of intangibles	–	5 235	–	–	5 235
Depreciation on property, plant and equipment	203 249	11 429	4 144	10	218 832
Amortisation right-of-use assets*	46 582	5 548	34 037	–	86 167
Repairs and maintenance	683 668	7 843	15 045	64	706 620
Water	119 012	667	41	–	119 720
Energy	1 135 863	6 499	12 745	2 565	1 157 672
Information technology-related costs	162	82 422	–	–	82 584
Advertising, marketing, promotional-related costs	–	–	–	247 315	247 315
Transport and distribution costs*	322 843	–	919 219	–	1 242 062
Employee benefit expense (note 3)	1 857 947	286 411	90 752	62 315	2 297 425
Directors' remuneration (note 32)	–	45 959	–	–	45 959
Auditors' remuneration and related expenses	–	9 868	–	–	9 868
Other*	899 376	288 723	134 834	14 611	1 337 544
	17 718 612	753 884	1 214 112	327 522	20 014 130

There was no restatement required in any other area of the financial statements relating to this restatement.

38. Assets held for sale (as part of Poultry segment)

Certain land and buildings as part of Poultry segment are held for sale after a decision was taken to dispose of the assets. The contracts were concluded with the buyer; however, the transaction remains subject to final conditions precedent still to be fulfilled as at the reporting date which are highly probable. The transaction is expected to be concluded within the next 12 months.

	Other receivables R'000	Land and buildings R'000	Plant, and equipment R'000	**Total 2024 R'000**	Total 2023 R'000
Assets held for sale	4 133	19 997	878	**25 008**	–

39. Accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below.

39.1 Basis of preparation

The consolidated financial statements of Astral Foods Limited group have been prepared in accordance with International Financial Reporting Standards (IFRS), the South African Financial Reporting Requirements and the requirements of the South African Companies Act.

The consolidated financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in the relevant notes to the annual financial statements.

39.2 Interest in Group entities

Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group uses the acquisition method of accounting to account for business combinations.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated.

Transactions with non-controlling interests

The Group treats transactions with non-controlling interests as transactions with equity owners of the Group.

39.3 Foreign currencies

Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in Rand, which is the Company's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income. Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the statement of comprehensive income within 'Other (losses)/gains – net'.

Foreign operations

The results and financial position of all group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different to the Company's presentation currency, are translated into the presentation currency as follows:

(i) Assets and liabilities at the closing exchange rate at the reporting date;

(ii) Income and expense items are translated at the average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions);

(iii) Equity items are translated at the exchange rates ruling when they arose.

All resulting exchange differences are classified as a foreign currency translation reserve and recognised as a separate component of other comprehensive income.

Notes to the financial statements (continued)

for the year ended 30 September 2024

39. Accounting policies (continued)

39.3 Foreign currencies (continued)

On consolidation, exchange differences arising from the translation of the net investment in foreign operations, and of borrowings which are long-term investments in nature, are taken to shareholders' equity.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

39.4 Property, plant and equipment

Land and buildings comprise mainly of feed mills, poultry processing facilities, poultry farms and offices which are measured at historical cost.

Land is not depreciated and its carrying value is stated at historical cost.

Plant and equipment consist mainly of equipment used in the production of feed, feeding of birds in poultry houses, hatchery equipment, the slaughtering of poultry in abattoirs and the processing and packaging of poultry meat products.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other costs are charged to profit or loss during the financial period in which they are incurred.

Gains and losses on disposals are determined by comparing proceeds with the carrying amounts. These are included in profit or loss under other gains/losses.

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

The assets' residual values and useful lives are reviewed annually and adjusted if appropriate, taking into account technology developments and maintenance programmes.

39.5 Intangible assets

Computer software

Acquired computer software and licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.

Costs associated with maintaining computer software programs are recognised as an expense as incurred.

Computer software recognised as assets are amortised, using the straight-line method, over their estimated useful lives. The estimated useful lives are reassessed on an annual basis.

39.6 Leases

The accounting policies regarding leases are described in note 14 to the financial statements.

39.7 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the first-in, first-out (FIFO) method. The cost of finished goods and work in progress comprises all purchase costs of raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity) incurred in bringing the inventories to their present location and condition. Borrowing cost is excluded.

Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

39.8 Biological assets

The value of live broiler birds and hatching eggs are assessed based on fair values less estimated point-of-sale costs. Gains and losses arising from changes in the fair values are recorded in cost of sales for the period in which they arise.

Breeding stock includes grandparent breeding and parent rearing and laying stock which are carried at an approximated fair value using the cost approach, adjusted for accumulated obsolescence reflecting the deterioration in the fair value of the breeders and parents.

39. Accounting policies (continued)

39.8 Biological assets (continued)

All the expenses incurred in establishing and maintaining these assets are recognised in cost of sales, except where they are capitalised.

The valuation methodology used in Astral for eggs and broilers are not based on developed valuation techniques, but on transactions with external parties. These unobservable inputs used in the fair value calculations are the price of eggs sold by Astral in the external market, and the bought-in price paid to external contract growers for broiler birds. The most significant input into the fair value measurement is the contract price entered into with independent market participants. These prices change when contracts are renegotiated.

Assessment of control over biological assets and over contract growers

The Group utilises contract growers for the growing of broilers in exchange for a fee. Goods delivered to contract growers are not recognised as revenue as the Group retains control of the underlying biological assets as a result of Astral being contractually committed to repurchasing all live birds at slaughter date.

Further, the Group assesses whether it exercises effective control over contract growers based on an analysis of the activities of these entities, the Group's decision-making powers, its ability to obtain benefits from these entities and the residual risks regarding these entities that are retained by the Group. Based on this analysis the Group concluded that it does not control the activities of any contract grower in itself, as it does not have any decision-making powers and that these businesses are managed independently. Furthermore, these businesses retain the residual risk associated with production.

39.9 Impairment of non-financial assets

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition.

Separately recognised goodwill is tested annually for impairment and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or Group's of cash-generating units that are expected to benefit from the business combination in which the goodwill arose.

39.10 Financial assets

Financial assets are recognised when the Group becomes a party to the contractual provisions of the instrument or secures other access to economic benefits. Such assets consist of cash, a contractual right to receive cash or another financial asset. Financial assets carried at reporting date include cash and bank balances, investments in equity instruments, and receivables.

The Group's receivables are held to collect the contractual cash flows and are classified in the following category:

- Amortised costs

Investments in equity instruments are classified in the following category:

- Fair value through other comprehensive income

Impairment

A loss allowance is calculated based on the lifetime expected credit losses of financial assets.

39.11 Financial liabilities

Financial liabilities are recognised when there is an obligation to transfer benefits and that obligation is a contractual liability to deliver cash or other financial assets or to exchange financial instruments with another on potentially unfavourable terms.

All the financial liabilities have been classified as: Financial liabilities at amortised costs.

39.12 Trade receivables

Adjustments in the provision for loss allowances are recognised in the statement of comprehensive income under administrative expenses. When a trade receivable is uncollectible it is written off in the statement of comprehensive income or when previously written off amounts are recovered, it is credited in the statement of comprehensive income, both within other gains/losses.

Notes to the financial statements (continued)

for the year ended 30 September 2024

39. Accounting policies (continued)

39.13 Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

39.14 Trade payables

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

39.15 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

39.16 Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Where any group company purchases the Company's equity share capital (treasury shares), the consideration paid, including any directly incremental costs, is deducted from equity attributable to the Company's equity holders until the shares are re-issued or disposed of.

39.17 Current and deferred tax

The charge for current tax is based on results for the year as adjusted for income that is exempt and expenses that are not deductible using tax rates that are applicable to the taxable income.

Deferred income tax is provided, using the liability method, on temporary differences arising between the tax base of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction, other than a business combination, that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax is provided on temporary differences arising on investments in subsidiaries, joint ventures and associates, except where the timing of the reversal of the temporary difference will not reverse in the foreseeable future.

Upon the initial recognition of an asset or a liability in a transaction which is not a business combination, and the recognition does not affect accounting profit or taxable profit at the time of the transaction, the Group has made the policy choice to treat the asset and the liability separately for deferred tax purposes.

39.18 Derivative financial instruments

Over-the-counter (OTC) contracts

The Group enters into over-the-counter (OTC) forward purchases for the purchase of commodities for own use. These contracts are settled by taking physical delivery in the normal course of business and are therefore not regarded as financial instruments.

Fair value estimation

The nominal value less estimated credit adjustments of trade receivables is assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

39. Accounting policies (continued)

39.19 Employee benefits

Pension obligations

The Group operates defined contribution retirement schemes.

A defined contribution scheme is a pension plan under which the Group pays fixed contributions into a separate entity. The Group recognises the expense in the statement of comprehensive income as an employee benefit expense.

The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Post-employment medical benefits

The Group provides post-retirement healthcare benefits to some of its retirees. The entitlement to these benefits is usually conditional on the employee remaining in service up to retirement age. The expected costs of these benefits are accrued over the period of employment using the same accounting methodology as used for defined benefit pension plans.

Actuarial gains and losses arising from experience adjustments, and changes in actuarial assumptions, are charged or credited to other comprehensive income. These obligations are valued every year, and the assumptions are reviewed annually by independent qualified actuaries.

Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either: terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy.

Profit-sharing and bonus plans

The Group recognises a liability and an expense for bonuses and profit-sharing, based on a formula that takes into consideration the profit attributable to the Company's shareholders. These profit-sharing and bonus plans are approved annually by the Board.

The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

Long-term retention bonus scheme

The Group has a long-term retention bonus scheme for certain employees. In terms of the scheme, the allocations are 100% subject to specified performance conditions, measured over a three-year period, being met.

Once vested, amounts are paid at the end of the three-year vesting period.

The fair value of the employees' service received in exchange for participation in the scheme, is recognised as an expense over the vesting period.

Share-based plans

The **forfeitable share plan** which is equity-settled, afford employees the opportunity to own shares in Astral through awarding of forfeitable shares. Participants receive the shares, with voting and dividend rights, on the date of the award subject to performance conditions and the risk of forfeiture during a three-year vesting period.

The shares acquired and subsequently awarded are disclosed as treasury shares.

The fair value of the employee service received in exchange for the awarding of the shares is based on the market value of the shares on grant date. The amount to be expensed over the three-year vesting period is determined by reference to the fair value of the shares awarded, adjusted the impact of non-market conditions on the assumptions of the number of shares that is expected to vest.

Dividends received by participants during the vesting period is regarded as a cash-settled portion of the scheme and is recognised as an employee benefit expense as and when dividends are paid.

Notes to the financial statements (continued)

for the year ended 30 September 2024

39. Accounting policies (continued)

39.20 Revenue recognition

Revenue comprises the contract price for the sale of goods and services in the ordinary course of the Group's activities. Revenue is shown net of value-added tax, returns, rebates and discounts and after eliminating sales within the Group. Refer to note 1 of the financial statements for a description of the revenue streams of the Group.

The Group recognises revenue when the control of the product sold passes to the customer (the entity has a present right to payment for the asset; the customer has legal title to the asset; the entity has transferred physical possession of the asset; the customer has the significant risks and rewards related to the ownership of the asset; and the customer has accepted the asset). At this stage the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Group's activities as described below:

- Poultry – sales of poultry products are recognised when the products are delivered at the premises of the customer;
- Feed – sales of feed are recognised when the feed is delivered at the farm as agreed with the customer or when a customer collects it from the feed mills. Included in the Feed sales is a second performance obligation related to rendering logistics services to its customers.

In all instances, sales are recognised when upon delivery, the customer has accepted the products; and collectability of the related receivables is reasonably assured.

Volume rebates and settlement discounts are deducted from revenue where they can be reliably measured.

Where the Group delivers finished goods to another party for sale to end customers, the Group evaluates whether the other party has obtained control of the finished goods at that point in time. Finished goods that have been delivered to another party are held in a consignment arrangement when the other party has not obtained control of the product. The Group does not recognise revenue where finished goods are delivered to another party if the finished goods are held on consignment.

This assessment required analysis of key indicators, specifically:

- The Group retains control over the finished goods until a specified event occurs, which is the sale of the finished goods to a customer;
- The Group is able to require the return of the finished goods or can transfer the finished goods to a third party;
- The other party does not have the unconditional obligation to pay for the product.

39.21 Interest income

Interest income on financial assets at amortised cost and financial assets at FVOCI is calculated using the effective interest method and is recognised in profit or loss as part of other income.

39.22 Critical accounting assumptions and judgements

The preparation of the financial statements in accordance with IFRS requires the use of certain critical accounting assumptions and judgements. The areas where critical assumptions or judgements have been made are identified in the relevant notes to the financial statements.

39.23 New standards and interpretations

Accounting policy developments include new standards issued, amendments to standards, and interpretations issued on current standards.

There are no new standards and interpretations that are expected to materially impact the financial statements and reporting of the Group.

ADMINISTRATION

Shareholders' Diary

Integrated Report for the year ended 30 September 2024 available on the website and Notice of AGM posted to shareholders	Friday, 6 December 2024
AGM (refer to important dates and times below)	30 January 2025
Interim results for the six months ending 31 March 2025	May 2025
Final results for the year ending 30 September 2025	November 2025

IMPORTANT DATES AND TIMES (Notes 1 and 2)

Record date for determining which shareholders are entitled to receive the Notice of AGM (Notice Record Date)	Friday, 29 November 2024
Notice of AGM posted to shareholders	Friday, 6 December 2024
Last day to trade in order to be eligible to participate and vote at the AGM	Tuesday, 21 January 2025
Record date for attending and voting at the AGM (Meeting Record Date)	Friday, 24 January 2025
Last day for shareholders to lodge Forms of Proxy by 08:00	Wednesday, 29 January 2025

NOTES:

1. All times referred to in this notice are local times in South Africa.
2. Any material variation to the above dates and times will be announced on SENS.
3. The Board has determined that the record date for the purpose of determining which shareholders of the Company are entitled to receive the Notice of the twenty-fourth AGM is Friday, 29 November 2024 and the record date for purposes of determining which shareholders of the Company are entitled to participate in and vote at the AGM is Friday, 24 January 2025. Accordingly, only shareholders who are recorded in the register maintained by the transfer secretaries of Astral on Friday, 24 January 2025 will be entitled to participate in and vote at the AGM.

Shareholders' Analysis

Through analysis of the Strate registered holdings and Combined Share Register, and pursuant to the provisions of Section 56 of the Companies Act, the following shareholder statistics have been prepared as at 30 September 2024:

	Number of shareholders	% of total shareholders	Number of shares	% of issued capital
Shareholder spread				
1 – 1 000	3 566	79.07 %	631 447	1.47 %
1 001 – 10 000	630	13.97 %	2 131 563	4.97 %
10 001 – 100 000	235	5.21 %	7 103 601	16.55 %
100 001 – 1 000 000	74	1.64 %	16 384 465	38.17 %
Over 1 000 000	5	0.11 %	16 671 159	38.84 %
Total	4 510	100.00 %	42 922 235	100.00 %
Distribution of shareholders				
Assurance Companies	34	0.75 %	579 281	1.35 %
Close Corporations	23	0.51 %	31 927	0.07 %
Collective Investment Schemes	298	6.61 %	14 814 603	34.51 %
Foundations and Charitable Funds	28	0.62 %	233 239	0.54 %
Hedge Funds	11	0.24 %	1 165 761	2.72 %
Insurance Companies	2	0.04 %	2 071	0.00 %
Investment Partnerships	9	0.20 %	45 846	0.11 %
Managed Funds	39	0.86 %	632 358	1.47 %
Medical Aid Funds	14	0.31 %	407 403	0.95 %
Organs of State	11	0.24 %	12 194 431	28.41 %
Private Companies	118	2.62 %	4 348 510	10.13 %
Public Companies	8	0.18 %	84 732	0.20 %
Public Entities	2	0.04 %	176	0.00 %
Retail Shareholders	3 403	75.45 %	2 417 176	5.63 %
Retirement Benefit Funds	180	3.99 %	3 288 275	7.66 %
Scrip Lending	8	0.18 %	724 605	1.69 %
Sovereign Funds	2	0.04 %	897 289	2.09 %
Stockbrokers and Nominees	19	0.42 %	310 996	0.72 %
Trusts	296	6.56 %	742 798	1.73 %
Unclaimed Scrip	5	0.11 %	758	0.00 %
Total	4 510	100.00 %	42 922 235	100.00 %
Shareholder type				
Non-public shareholders	15	0.33 %	4 647 548	10.83 %
Directors and Associates	8	0.18 %	393 399	0.92 %
Prescribed Officers	6	0.13 %	165 572	0.39 %
Astral Operations	1	0.02 %	4 088 577	9.53 %
Public shareholders	4 495	99.67 %	38 274 687	89.17 %
Total	4 510	100.00 %	42 922 235	100.00 %
Fund managers with a holding > 5% of the issued shares				
Public Investment Corporation			9 731 366	22.67 %
Truffle Asset Management			4 881 672	11.37 %
36One Asset Management			3 135 094	7.30 %
Mianzo Asset Management			2 381 578	5.55 %
Total			20 129 710	46.90 %
Beneficial shareholders with a holding > 5% of the issued shares				
Government Employees Pension Fund			11 810 734	27.52 %
Astral Operations Limited			4 088 577	9.53 %
Total			15 899 311	37.04 %

Abbreviations and Definitions

The following abbreviations and definitions listed below have been used throughout this Integrated Report.

“AGM”	Annual General Meeting
“Astral”	Astral Foods Limited and its subsidiaries
“Aviagen”	Aviagen Limited
“Basic EPS”	Earnings for the year attributable to equity holders of Astral divided by the weighted average number of ordinary shares in issue during the year
“B-BBEE”	Broad-Based Black Economic Empowerment
“CAL”	Central Analytical Laboratories
“CBOT”	Chicago Board of Trade
“CEO”	Chief Executive Officer
“CFO”	Chief Financial Officer
“CIO”	Chief Information Officer
“CIPC”	Companies and Intellectual Property Commission
“Closing earnings yield”	Headline earnings per share as a percentage of market value per share at 30 September
“Closing PE ratio”	Market value per share at 30 September divided by headline earnings per share
“Companies Act”	Companies Act No. 71 of 2008, as amended
“COO”	Chief Operating Officer
“CPI”	Consumer Price Index
“CSI”	Corporate Social Investment
“Dividend cover”	HEPS divided by dividend per share declared out of earnings for the year
“Dividend yield”	Dividend per share as a percentage of market value per share at year end
“Earnings yield”	HEPS as a percentage of market value per share at year end
“EBITDA”	Earnings before interest, taxation, depreciation and amortisation
“EPS”	Earnings per share, being net profit for the year divided by the weighted average number of ordinary shares in issue during the year (net of treasury shares)
“ESG”	Environmental, Social and Governance
“EVA”	Economic Value Added
“1H” or “1Q”	First half or first quarter, or any reference in the same manner
“FY” or “HY”	Full Year or Half Year
"GDP"	Gross Domestic Product
“Gearing”	Interest-bearing borrowings less cash and cash equivalents as a ratio to total equity
"GJ"	Gigajoule
“GNU”	Government of National Unity
“HACCP”	Hazard Analysis & Critical Control Points
“Headline earnings”	Net profit for the year adjusted for profit/loss on sale of property, plant and equipment and investments
“HEPS”	Headline earnings per share, being headline earnings divided by the weighted average number of ordinary shares in issue during the year (net of treasury shares)

"HPAI"	Highly Pathogenic Avian Influenza
"IAS"	International Auditing Standards
"IFRS"	International Financial Reporting Standards
"IQF"	Individually Quick Frozen
"ISSB"	International Sustainability Standards Board
"IT"	Information Technology
"JSE"	JSE Limited
"King IV™"	The King Code of Corporate Governance Principles and the King Report on Governance for South Africa 2016
"kl"	kilolitre
"KPI"	Key Performance Indicators
"Listings Requirements"	Listings Requirements of the JSE
"Ltd"	Limited
"MoI"	Memorandum of Incorporation
"Net assets"	Total assets less total liabilities excluding cash and cash equivalents, borrowings, normal and deferred tax and shareholders for dividends
"Net asset turn"	Revenue divided by average net assets
"NOPAT"	Net operating profit after tax
"Operating profit margin"	Operating profit before interest and tax as a percentage of revenue
"PBIT"	Profit Before Interest and Tax
"PE"	Price/Earnings, being market value per share divided by HEPS
"PEF"	Performance Efficiency Factor
"(Pty) Ltd"	Proprietary Limited
"PwC"	PricewaterhouseCoopers Inc.
"QSR"	Quick Service Restaurant
"R"	Rand, the South African currency
"Remco"	Human Resources, Remuneration and Nominations Committee
"Return on equity"/"ROE"	Net profit attributable to ordinary shareholders as a percentage of average ordinary shareholders' interest
"Return on net assets"/"RONA"	Operating profit before interest and income tax as a percentage of average net assets
"Return on total assets"	Operating profit as a percentage of average total assets
"SA"	South Africa
"SAFEX"	South African Futures Exchange
"SAPA"	South African Poultry Association
"SDGs"	Sustainable Development Goals
"SED"	Socio Economic Development

Abbreviations and Definitions (continued)

"SENS"	Stock Exchange News Service
"SETA"	Sector Education and Training Authority
"Strate"	Strate Limited
"TCFD"	Task Force on Climate-related Financial Disclosures
"the Board"	the Board of directors of Astral
"the Company"	Astral Foods Limited
"TMEA"	Aviagen Ross 308 Turkey Middle East Africa benchmark
"UN"	United Nations
"USA" or "US"	United States of America
"VAT"	Value Added Tax
"WACC"	Weighted Average Cost of Capital

Corporate Information

Registration number: 1978/003194/06
JSE share code: ARL
A2X share code: ARL
ISIN number: ZAE000029757

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JAI Ferreira
OM Lukhele
N Moodley
E Potgieter
CE Schutte

Africa Feeds Limited (Zambia)
Registration No. 36327
Directors:
GD Arnold
TD Banda*
NR Mwanyungwi*
H Nienaber
GNH Robinson*
* *Zambian*

Meadow Feeds Eastern Cape (Pty) Ltd
Registration No. 2003/021458/07
Directors:
GD Arnold
JAI Ferreira
CE Schutte
JI Hooghiemstra

Meadow Feeds Standerton (Pty) Ltd
Registration No. 2003/021462/07
Directors:
GD Arnold
JAI Ferreira
CE Schutte

Progressive Poultry Limited
Registration No. 70163
Directors:
GD Arnold
TD Banda*
H Nienaber
* *Zambian*

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