NOTICE OF ANNUAL GENERAL MEETING 2024

For the year ended 30 September 2024

QUANTUM FOODS HOLDINGS LIMITED

Notice of annual general meeting, proxy form and summary consolidated financial statements for the year ended 30 September 2024.

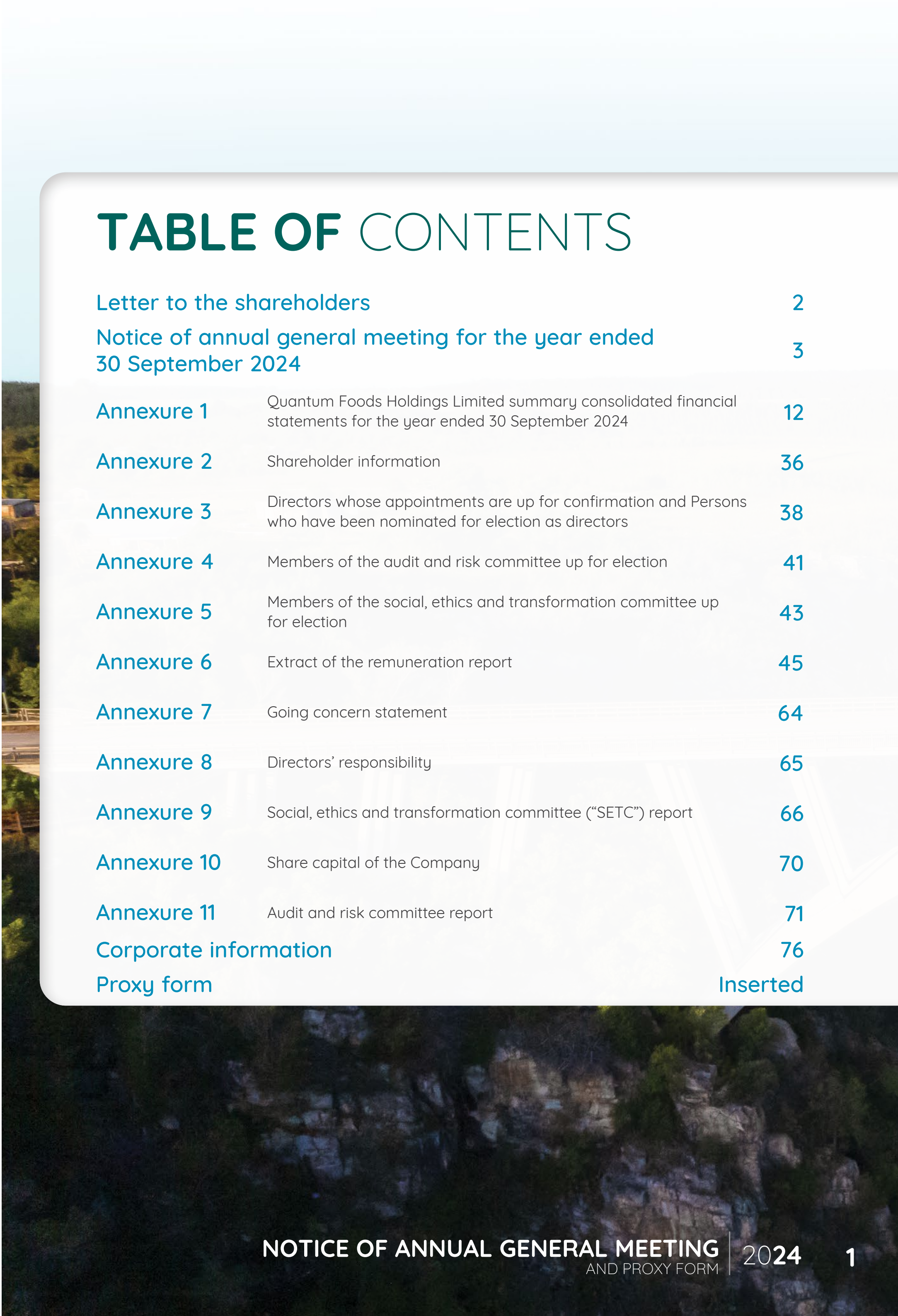
Salient features	2024	2023
Revenue	**R6 332 million**	R6 953 million
Operating profit/(loss)	**R231 million**	(R36 million)
Operating profit/(loss) (before items of a capital nature)*	**R232 million**	(R35 million)
Headline earnings profit/(loss)	**R161 million**	(R35 million)
Earnings profit/(loss) per share	**80.0 cents**	(17.8 cents)
Headline earnings profit/(loss) per share	**80.4 cents**	(17.4 cents)
Total dividend per share	**Nil**	Nil

* *Income or expenditure of a capital nature in the statement of comprehensive income, i.e. all profit or loss items that are excluded in the calculation of headline earnings per share. The principal items excluded under this measurement are profits or losses on disposal of property, plant and equipment.*

The summary consolidated financial statements for the year ended 30 September 2024 are a summary of the audited annual consolidated financial statements for the year ended 30 September 2024 ("AFS") and have been audited by Ernst & Young Inc., who expressed an unmodified audit opinion thereon. The auditor's report on the summary consolidated financial statements appears on page 24 of this notice. The auditor also expressed an unmodified audit opinion on the AFS from which these summary consolidated financial statements were derived.

A copy of the AFS, including the auditor's report thereon, can be obtained from Quantum Foods Holdings Limited ("Quantum Foods" or "the Company") on written request to the company secretary, Ziyanda Wakashe (Ziyanda.Wakashe@quantumfoods.co.za), and is available on the Company's website at https://quantumfoods.co.za/financial-reports/.

Both the summary consolidated financial statements and the AFS were prepared under the supervision of André Hugo Muller, CA(SA), the Company's chief financial officer.



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LETTER TO THE SHAREHOLDERS

31 January 2025

Dear shareholder

Notice of annual general meeting and related matters

We are pleased to enclose herewith the notice of Quantum Foods Holdings Limited's ("Quantum Foods" or "the Company") 11th annual general meeting to be held at 11h00 on Thursday, 20 March 2025, entirely through electronic means as more fully set out in the notice of annual general meeting ("Notice").

The Notice includes:

- summary consolidated annual financial statements for the financial year ended 30 September 2024 with explanatory notes and commentary; and
- a proxy form.

The proxy form includes instructions on how to complete the form itself. However, should you have questions, do not hesitate to contact our offices.

In an effort to support environmental initiatives, printed copies of Quantum Foods' 2024 annual integrated report ("AIR") and the AFS will only be mailed to shareholders on request. The AIR and the full AFS are available for download on our website at https://quantumfoods.co.za/annual-reports/ and https://quantumfoods.co.za/financial-reports/.

Should you require a printed copy of the AIR or the full AFS, please contact the company secretary, Ziyanda Wakashe, at Ziyanda.Wakashe@quantumfoods.co.za.

Yours sincerely

ZP Wakashe
Company secretary

NOTICE OF ANNUAL GENERAL MEETING

For the year ended 30 September 2024

Notice is hereby given to all shareholders recorded in the securities register of Quantum Foods as at Friday, 24 January 2025, that the 11th annual general meeting of shareholders of Quantum Foods will be held at 11h00 on Thursday, 20 March 2025 ("AGM").

The AGM will be conducted entirely through electronic communication in accordance with the provisions of the Companies Act, No. 71 of 2008 (the "Companies Act") and the memorandum of incorporation ("MOI") of the Company, and accordingly, shareholders and their proxies will attend, participate in and vote at the AGM by means of electronic communication.

Purpose

The purpose of the AGM is to transact the business set out in the agenda below and any other business as may be attended to at an annual general meeting in terms of the Companies Act and the Company's MOI.

Agenda

1. Presentation of the audited annual consolidated financial statements of the Company, (incorporating the reports of the directors, the audit and risk committee and the unmodified audit opinion for the year ended 30 September 2024), the social, ethics and transformation committee report and the remuneration report.

   The audited annual consolidated financial statements (incorporating the reports of the directors, the audit and risk committee report and the independent auditor's report) and the annual integrated report (incorporating the reports of the social, ethics and transformation committee and the remuneration policy) are available on the Company's website at https://quantumfoods.co.za/annual-reports/ and https://quantumfoods.co.za/financial-reports/.

2. Resolutions:

- To consider and, if deemed fit, pass, with or without modification, ordinary resolutions numbers 1 to 13 as set out in the Notice.
- To consider non-binding advisory resolutions numbers 14 and 15 as set out in the Notice.
- To consider and, if deemed fit, pass, with or without modification, special resolutions numbers 1 and 2 as set out in the Notice.

Ordinary resolutions

Ordinary resolution number 1

Re-appointment of auditors

"Resolved that Ernst & Young Inc. (with the designated external audit partner being Mr Pierre du Plessis, registered in accordance with the Auditing Profession Act, No. 26 of 2005) be and are hereby re-appointed as the auditors of the Company and its subsidiaries ("Group") for the ensuing financial year."

The audit and risk committee of the Company conducted an auditor suitability assessment on Ernst & Young Inc. and the designated external audit partner in terms of paragraph 3.84(g)(iii), as read with paragraphs 3.86 and 3.87 of the JSE Limited Listings Requirements ("JSE Listings Requirements") and the provisions of the Companies Act and recommends their re-appointment.

Reason for ordinary resolution number 1

In terms of the Companies Act, the Company, being a public company, is required to have its financial statements audited by an auditor, and such auditor must be appointed or re-appointed, as the case may be, at each annual general meeting.

Ordinary resolution number 2

Re-election of director retiring by rotation

"Resolved that Mr Wouter André Hanekom, who retires by rotation in terms of clause 29.3.4.1 of the Company's MOI and, being eligible and offering himself for re-election, be and is hereby re-elected as a director of the Company."

In terms of clause 29.3.5 of the Company's MOI, the Company's board of directors ("Board") recommends the re-election of Mr Hanekom, taking into account his past performance and contribution.

Ordinary resolution number 3

Re-election of director retiring by rotation

"Resolved that Mr Larry Wilson Riddle, who retires by rotation in terms of clause 29.3.4.1 of the Company's MOI and, being eligible and offering himself for re-election, be and is hereby re-elected as a director of the Company."

In terms of clause 29.3.5 of the Company's MOI, the Board recommends the re-election of Mr Riddle, taking into account his past performance and contribution.

Reason for ordinary resolutions numbers 2 and 3

In terms of the Company's MOI, one-third of the non-executive directors are required to retire by rotation at each annual general meeting and are eligible for re-election by shareholders at the annual general meeting.

A brief *curriculum vitae* ("CV") of each of the directors up for re-election appears in Annexure 3 to this Notice.

Ordinary resolution number 4

Confirmation of director appointment

"Resolved that the Board's appointment of Mr Pieter Francois Theron Burger as a director of the Company in terms of clause 29.2.6 of the Company's MOI, be and is hereby confirmed and Mr Pieter Francois Theron Burger be and is hereby elected as a director of the Company."

Ordinary resolution number 5

Confirmation of director appointment

"Resolved that the Board's appointment of Ms Adel Deidre van der Merwe as a director of the Company in terms of clause 32.1 of the Company's MOI, be and is hereby confirmed and Ms Adel Deidre van der Merwe be and is hereby elected as a director of the Company."

Reason for ordinary resolutions numbers 4 and 5

In accordance with clauses 29.2.6 and 32.1 of the Company's MOI, the Board's appointment of a director, whether to fill a vacancy or as an additional appointment, and the Board's appointment of an executive director, respectively, must be confirmed by shareholders at the next annual general meeting.

A brief CV of Mr Burger and Ms van der Merwe appears in Annexure 3 to this Notice.

The Board recommends that shareholders confirm the appointment of Mr Burger and Ms van der Merwe as directors and that they vote in favour of their election as directors.

Ordinary resolution number 6

Election of shareholder's nominee: Mr Hamish Bryan Wilburn Rudland

"Resolved that Mr Hamish Bryan Wilburn Rudland be and is hereby elected as a director of the Company."

Reason for ordinary resolution number 6

Braemar Trading Limited addressed a letter to the Board on 28 October 2024 in terms of which it nominated Mr Rudland for election as a director.

A brief CV of Mr Rudland appears in Annexure 3 to this Notice.

Ordinary resolution number 7

Election of shareholder's nominee: Ms Catherine N. Kimaryo

"Resolved that Ms Catherine N. Kimaryo be and is hereby elected as a director of the Company."

Reason for ordinary resolution number 7

Country Bird Holdings Proprietary Limited addressed a letter to the Board on 13 November 2024 in terms of which it nominated Ms Kimaryo for election as a director.

A brief CV of Ms Kimaryo appears in Annexure 3 to this Notice.

Ordinary resolution number 8

Election of member of the audit and risk committee

"Resolved that Mr Geoffrey George Fortuin, being eligible and availing himself for election, be and is hereby elected as a member of the Company's audit and risk committee."

Ordinary resolution number 9

Election of member of the audit and risk committee

"Resolved that, conditional on the passing of ordinary resolution number 3, Mr Larry Wilson Riddle, being eligible and availing himself for election, be and is hereby elected as a member of the Company's audit and risk committee."

Ordinary resolution number 10

Election of member of the audit and risk committee

"Resolved that, conditional on the passing of ordinary resolution number 4, Mr Pieter Francois Theron Burger, being eligible and availing himself for election, be and is hereby elected as a member of the Company's audit and risk committee."

Reason for ordinary resolutions numbers 8 to 10

In terms of section 94(2) of the Companies Act, the Company, being a public company, is required to have an audit committee comprising of at least three members who must be elected by shareholders at each annual general meeting.

A brief CV of each of the independent non-executive directors being proposed for election as members of the Company's audit and risk committee is included in Annexure 4 of this Notice. The CVs indicate that all directors possess academic qualifications or experience in one or more of the following areas: economics, corporate governance, finance, accounting, commerce, public affairs or human resources.

The Board recommends, after taking into account and evaluating, *inter alia*, the qualifications, experience, independence, past performance and contribution of the relevant independent non-executive directors, that the persons referred to in ordinary resolutions numbers 8, 9 and 10 be elected as members of the Company's audit and risk committee at the AGM.

Ordinary resolution number 11

Election of member of the social, ethics and transformation committee

"Resolved that Mr Gary Vaughan-Smith, being eligible and availing himself for election, be and is hereby elected as a member of the Company's social, ethics and transformation committee."

Ordinary resolution number 12

Election of member of the social, ethics and transformation committee

"Resolved that, conditional on the passing of ordinary resolution number 2, Mr Wouter André Hanekom, being eligible and availing himself for election, be and is hereby elected as a member of the Company's social, ethics and transformation committee."

Ordinary resolution number 13

Election of member of the social, ethics and transformation committee

"Resolved that, conditional on the passing of ordinary resolution number 4, Mr Pieter Francois Theron Burger, being eligible and availing himself for election, be and is hereby elected as a member of the Company's social, ethics and transformation committee."

Reason for ordinary resolutions numbers 11 to 13

As a result of the amendments to sections 61(8)(c)(iii) and 72(9A) of the Companies Act, as set out in sections 12 and 13 of the Companies Amendment Act, No. 16 of 2024, having become effective on 27 December 2024 (pursuant to the publication of the commencement date in Notice 238 of Government Gazette no. 51837), the members of the Company's social and ethics committee are required to be elected by shareholders at each annual general meeting.

A brief CV of each of the non-executive directors being proposed for election as members of the Company's social, ethics and transformation committee is included in Annexure 5 of this Notice.

After considering and assessing the qualifications, experience, past performance, and contribution of the relevant non-executive directors, the Board recommends that the individuals identified in ordinary resolutions numbers 11, 12, and 13 be elected as members of the Company's social, ethics and transformation committee at the AGM.

Non-binding advisory votes

Ordinary resolution number 14

Non-binding advisory vote on Quantum Foods' remuneration policy

"Resolved that the Company's remuneration policy, as set out in the extract of the remuneration report in Annexure 6 to this Notice, be and is hereby endorsed by way of a non-binding advisory vote."

Reason for ordinary resolution number 14

The King IV Report on Corporate Governance™ for South Africa, 2016 ("King IV")[1] recommends, and the JSE Listings Requirements require, that the remuneration policy of a company be tabled for a non-binding advisory vote by shareholders at each annual general meeting. This enables shareholders to express their views on the remuneration policy. Ordinary resolution number 14 is of a non-binding advisory nature only. However, the Board will consider the outcome of the vote when considering amendments to the Company's remuneration policy, and to the extent that this resolution is voted against by 25% or more of the voting rights exercised in relation thereto, the Company will engage with shareholders.

Ordinary resolution number 15

Non-binding advisory vote on Quantum Foods' implementation report on the remuneration policy

"Resolved that the Company's implementation report in respect of its remuneration policy, as set out in the extract of the remuneration report in Annexure 6 to this Notice, be and is hereby endorsed by way of a non-binding advisory vote."

Reason for ordinary resolution number 15

King IV recommends, and the JSE Listings Requirements require, that the implementation report on a company's remuneration policy be tabled for a non-binding advisory vote by shareholders at each annual general meeting. This enables shareholders to express their views on the implementation of a company's remuneration policy. Ordinary resolution number 15 is of a non-binding advisory nature only. However, the Board will take the outcome of the vote into consideration when considering amendments to the Company's remuneration policy and the implementation thereof, and to the extent that this resolution is voted against by 25% or more of the voting rights exercised in relation thereto, the Company will engage with shareholders.

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[1] *Copyright and trademarks are owned by the Institute of Directors in South Africa NPC and all of its rights are reserved.*

Special resolutions

Special resolution number 1

Approval of the non-executive directors' remuneration

"Resolved that, in terms of sections 66(8) and (9) of the Companies Act, the payment of non-executive directors' remuneration (exclusive of value added tax ("VAT")) be and is hereby approved on the basis that this resolution shall be valid for a period of 24 months from the date of the passing of this resolution or until shareholders approve the payment of non-executive directors' remuneration at the Company's next annual general meeting, whichever period is shorter, as follows:

	Proposed fees per annum Rand (exclusive of VAT)	Previous approved fees per annum Rand (exclusive of VAT)
Chairperson of the Board	**510 750**	**414 615**
Lead independent director	**396 000**	**355 745**
Board member (other than the chairperson of the Board or the lead independent director)	**328 000**	**294 870**
Committee chairperson – audit and risk committee	**134 600**	**101 630**
Committee chairperson – remuneration committee	**79 200**	**71 140**
Committee chairperson – social, ethics and transformation committee	**98 100**	**71 140**
Committee chairperson – investment committee	**79 200**	**–**
Committee member – audit and risk committee	**102 600**	**92 155**
Committee member – remuneration committee	**73 250**	**65 820**
Committee member – social, ethics and transformation committee	**73 250**	**65 820**
Committee member – investment committee	**73 250**	**–**

The fees payable to non-executive directors were last approved by shareholders at the Company's annual general meeting held on 24 February 2023. In the circumstances, in determining the proposed fees, the Company considered inflation over a two-year period and the outcome of a benchmarking exercise."

Reason for special resolution number 1

In terms of sections 66(8) and (9) of the Companies Act, remuneration may only be paid to directors for their services as such in accordance with a special resolution approved by shareholders within the previous two years unless the MOI provides otherwise. The Company's MOI does not prohibit the payment of such remuneration. The purpose of special resolution number 1 is to approve the remuneration payable to non-executive directors for their services as directors. The Company proposes that, similar to the other committees of the Board, the chairperson and members of the investment committee be remunerated by the Company for their services rendered, taking into consideration the extent of the work that this committee has been required and continues to do.

Special resolution number 2

General authority to provide financial assistance for the subscription, or acquisition, of options or securities in the Company and in related and inter-related companies

"Resolved that the Board be and is hereby authorised, in terms of and subject to section 44 of the Companies Act, to authorise the Company to provide financial assistance by way of a loan, guarantee, the provision of security or otherwise to any person for the purpose of, or in connection with, the subscription of any option, or any securities, issued or to be issued by the Company or a "related" or "inter-related" (as defined in section 2 of the Companies Act) company, or for the purchase of any securities of the Company or a "related" or "inter-related" company, on such terms and conditions and for such amounts as the Board may determine."

Reason for special resolution number 2

Section 44 of the Companies Act provides that the Company may only provide financial assistance by way of a loan, guarantee, the provision of security or otherwise to any person for the purpose of, or in connection with, the subscription of any option, or any securities, issued or to be issued by the Company or a "related" or "inter-related" company, or for the purchase of any securities of the Company or a "related" or "inter-related" company, pursuant to a special resolution of shareholders, adopted within the previous two years, which approved such assistance either for the specific recipient, or generally for a category of potential recipients, and the specific recipient falls within that category.

The reason for special resolution number 2 is for shareholders to grant the Board authority to authorise the Company to provide financial assistance by way of a loan, guarantee, the provision of security or otherwise, to any person for the purpose of, or in connection with, the subscription of any option, or any securities, issued or to be issued by the Company or "related" or an "inter-related" company or for the purchase of any securities of the Company or a "related" or "inter-related" company.

Record dates

In terms of section 59 of the Companies Act, the record date for shareholders to be recorded in the securities register of the Company in order to:

- receive this Notice is Friday, 24 January 2025; and
- attend, participate in and vote at the AGM is Friday, 14 March 2025, with the last day to trade being Tuesday, 11 March 2025.

Approvals required

Ordinary resolutions numbers 1 to 13 each require approval by more than 50% of the voting rights exercised on the resolution by shareholders present or represented by proxy at the AGM.

Ordinary resolutions numbers 14 and 15 are non-binding and advisory in nature. In accordance with the JSE Listings Requirements and King IV, should 25% or more of the votes cast be against each or both of ordinary resolutions numbers 14 and 15, the Company will engage with dissenting shareholders as to the reasons.

Special resolutions numbers 1 and 2 each require approval by at least 75% of the voting rights exercised on the resolution by shareholders present or represented by proxy at the AGM.

Attendance, participation and voting by shareholders or proxies

Shareholders who have not dematerialised their shares or who have dematerialised their shares with “own name” registration are entitled to attend, participate in and vote at the AGM and are entitled to appoint a proxy or proxies (for which purpose a proxy form is included with this Notice) to attend, speak and vote in their stead. Presentation of suitable identification by such proxies and proof of authority will be required when registering their participation in the AGM. The person appointed as proxy need not be a shareholder of the Company.

Proxy forms must be completed, signed and lodged, together with the proof of authority of the person signing the form in a representative capacity, with the meeting scrutineers, The Meeting Specialist Proprietary Limited (“TMS”), by emailing proxy@tmsmeetings.co.za. For administrative reasons, shareholders are urged to lodge their proxy forms by no later than Tuesday, 18 March 2025, at 11h00 (South African time), provided that any proxy form not received by TMS by this time may be emailed to proxy@tmsmeetings.co.za prior to the commencement of the AGM.

Proxy forms must only be completed by shareholders who have not dematerialised their shares or who have dematerialised their shares with “own name” registration.

Shareholders who have dematerialised their shares, other than those shareholders who have dematerialised their shares with “own name” registration, should contact their Central Securities Depository Participant (“CSDP”) or broker in the manner and within the time stipulated in their agreement to furnish them with their voting instructions, or in the event that they wish to attend and vote at the AGM, to obtain the necessary authority to do so in the form of, *inter alia*, a letter of representation.

Proof of identification required

In terms of the Companies Act, any shareholder or proxy who intends to attend or participate at the AGM must present reasonably satisfactory identification at the AGM for such shareholder or proxy to attend and participate in the AGM. A barcoded identification document issued by the South African Department of Home Affairs, a valid driver’s licence or a passport will be accepted as sufficient identification, which will be required when registering for participation in the AGM.

Electronic participation

1. The AGM will be held entirely by way of electronic communication. Accordingly, the Company has appointed TMS to host the AGM on an interactive electronic platform in order to facilitate remote attendance, participation and voting by shareholders. TMS will also act as scrutineer for purposes of the AGM.
2. Shareholders or their proxies who wish to participate in the AGM via electronic communication must register with TMS by emailing proxy@tmsmeetings.co.za or calling +27 84 433 4836 (Farhana Adam), +27 81 711 4255 (Izzy van Schoor) or +27 61 440 0654 (Michael Wenner) by no later than Tuesday, 18 March 2025 at 11h00. Shareholders may still register online after this date and time. However, in order for them to attend, participate and/or vote electronically at the AGM, they must be verified and registered before the commencement time of the AGM.
3. During this registration process, shareholders will be required to provide proof of identification (i.e. a South African identity document, a valid South African driver's licence or passport) and authority (where acting in a representative capacity) and, in the case of a dematerialised shareholder without "own name" registration, the letter of representation referred to above, as well as provide their name, email address and telephone number.
4. A unique link will be sent, individually, to each shareholder who has successfully registered to participate at the AGM.
5. Shareholders should note that the cost of electronic participation (e.g. mobile data consumption or internet connectivity) in the AGM will be for their own account.
6. The Company cannot guarantee that there will not be a break in communication, which is beyond the Company's control.
7. By registering, each participant acknowledges and agrees that the electronic communication services are provided by a third party and indemnifies the Company, its directors and employees against any loss, injury, damage, penalty or claim arising in any way from the use or possession of the telecommunication lines, whether or not the problem is caused by any act or omission on the part of the participant or anyone else. In particular, but not exhaustively, each participant acknowledges that he/she/it will have no claim against the Company, its directors and employees, whether for any consequential damages arising from the use of the electronic communication services or any defect in it or from total or partial failure of the electronic communication services and connections linking the electronic communication services to the AGM.
8. Shareholders should note that voting at the AGM will take place by way of a poll, and accordingly, each shareholder will have one vote in respect of each share held.

By order of the Board

Ziyanda Wakashe
Company secretary

Quantum Foods Holdings Limited
31 January 2025

ANNEXURE 1

COMMENTARY

CEO'S REPORT

FY2024 will be remembered for the severe impact of highly pathogenic avian influenza ("HPAI") on our layer farming and egg businesses, the Malmesbury feed mill explosion, leadership changes and dramatic fluctuations in our share price on the back of shareholder activity.

The Group recovered well from these events and delivered better performance than anticipated, especially in the broiler business and other Africa operations. Revenue decreased by 8.9% to R6.3 billion but HEPS increased from a loss per share of 17.4 cents in FY2023 to a profit of 80.4 cents.

Performance at a glance

- Avian influenza was prevalent in South Africa until the first quarter of 2024, with most affected operations only starting up again from June 2024
- Layer livestock and egg volumes were significantly impacted by HPAI leading to lower volumes and higher selling prices
- The lower volumes resulted in under-recovery of cost and weaker efficiencies achieved
- Grain prices declined compared to FY2023, supporting margin improvement
- The broiler business performed very well despite not achieving target capacity at the expanded Hartbeespoort hatchery
- Satisfactory profits were achieved
- Cash flow was impacted by capital projects and layer flock recovery
- Significant reduction in load shedding and related costs
- Strong results from other African countries
- Malmesbury feed mill expansion commenced to increase capacity for more specialised feeds

Our response to HPAI

Quantum Foods lost layer value chain birds to the value of R37 million due to HPAI outbreaks this year. This was in addition to the R155 million loss of FY2023. The bird value loss is but one aspect of the impact on our business. Facilities were closed or mothballed, people retrenched or put on layoff, the animal feeds business suffered volume declines and market share was lost due to egg shortages.

In the absence of vaccination, HPAI will remain a key risk with limited mitigation options, resulting in major uncertainty for Quantum Foods, which could severely impact earnings. Although government has published protocols for voluntary vaccination against HPAI, we are not aware of any producers in South Africa who have successfully applied for vaccination.

Multiple engagements with owners of poultry farming assets in South Africa ensured access to additional facilities in areas with a lower inherent HPAI risk. As such, we could start rebuilding the layer breeder flock, delivering hatching eggs for layer rearing and commercial egg production.

ANIMAL FEEDS

Revenue	Adjusted operating profit	Total volumes
R3 139 MILLION	**R94** MILLION	**8.7%**
↓ -6.6% from FY2023	↓ (FY2023: R104 million)	↓ down from FY2023

Highlights

- Favourable raw material price position
- Good price-volume-management
- Costs well controlled
- External volume recovery towards the end of FY2024
- Malmesbury new factory construction commenced

Areas of concern/improvement

- HPAI and foot-and-mouth disease impacting volumes
- Significantly lower volumes required from the Pretoria feed mill leading to a factory being temporarily mothballed
- Product mix impact on cost and efficiencies
- Explosion at Malmesbury raw material intake
- Malmesbury, George and Paterson at capacity

ANNEXURE 1 (CONTINUED)

The animal feed business performed well in a difficult environment. Key feed raw material costs were lower than the previous year, mainly due to reduced international selling prices. These costs were partially offset by the Rand weakening against the US Dollar.

External volumes decreased by 0.5%, muted by HPAI and foot-and-mouth disease. Lower orders in the north, compounded by a drop in internal volumes, resulted in the temporary closure of one of the Pretoria feed mill factories. We implemented contingency plans, including adjusting logistics, not filling vacancies and not working overtime.

We also adjusted raw material imports and deliveries by rolling contracts forward to mitigate HPAI-related impacts on feed volumes.

Due to HPAI, our focus was on margins rather than volumes, with astute procurement assisting in protecting profitability.

We nevertheless achieved two record levels in the animal feed business this year. May saw the highest-ever volume of external feed sold, which supported the highest-ever monthly contribution to the business.

We also increased our active engagement with the Quantum Foods broiler and layers farms to ensure we deliver the same level of technical advice and management input as for external customers. This included appointing a technical advisor exclusively for internal customers. This has already assisted in delivering record cycles for the broiler business as we share information and expertise to the Group's advantage.

Malmesbury feed mill incident and new factory construction

Quantum Foods experienced an explosion at the Malmesbury feed mill on 10 June 2024, which regretfully resulted in one fatality and two serious injuries.

The explosion caused physical damage to offloading equipment at the raw material intake area and weighbridge. Operating activities outside the affected area continued using raw material stored in on-site silos until the Department of Labour approved a temporary raw material intake procedure.

Although operations could continue and order volumes could be met, the incident resulted in a slower production rate and lower efficiencies, which increased costs.

We also delayed commencing the construction of the new factory due to the physical complexity of running multiple operations while doing repairs. The explosion increased our focus on potential risks in the design and construction of the new factory. We also appointed an external consultant to focus on health and safety as a priority.

Construction of the new factory commenced end July 2024, with estimated completion in December 2025 and full production from February 2026.

FARMING

Revenue

↑ **R1 866** MILLION

+2.1% from FY2023

Adjusted operating loss

↑ **R11** MILLION

(FY2023: R80 million loss) that includes a HPAI biological asset write-off of R37 million (FY2023: R155 million)

Day-old pullet volumes

↓ **18.6%**

Day-old broiler chick volumes

↑ **4.0%**

Highlights

Broiler farming

- 13.9% increase in day-old-chicks produced per hen housed
- Achieved Aviagen Silver award
- *Bellevue Chix* is a trusted brand in the northern regions
- New customers in northern regions

Layer farming

- Implementation and execution of HPAI recovery plan
- Hatching eggs imported
- Current breeder flock is disease-free
- Maintained key customer relationships
- Financial recovery post-HPAI
- Improvement of layer farm efficiencies outside HPAI-affected areas
- External producers contracted and capacity sharing
- Quarantine lifted on rearing and layer farms

Areas of concern/improvement

Broiler farming

- Increased mortalities at breeder level in the southern region
- Shortage of hatching eggs
- High cost of imported hatching eggs
- Above target feed conversion ratio at broiler farms
- Inconsistent broiler performance in northern regions

Layer farming

- Loss of 90% of breeder flock by end of Q1 of FY2024
- Day-old chicks and point-of-lay availability and production
- Under-recovery of costs on farms
- South African HPAI status concerning exports
- Extended layoffs at farms
- Increased security threats at farms
- Management and costs of dormant farms

ANNEXURE 1 (CONTINUED)

Broiler farming

Broiler farming revenue increased by 3.5% to R1 699 million. This followed more than three years of executing the transition from Cobb 500 to Ross 308 genetics, which was fully implemented and completed this year. We experienced significant flock management benefits and improved performance.

We also won our first Aviagen[1] silver award, an important performance benchmark to ensure we optimise the genetic potential of our flocks and apply excellence in animal husbandry.

The upgraded *Bellevue Chix* Hartbeespoort hatchery under-performed as the shortage of eggs due to HPAI resulted in lower capacity utilisation and efficiencies. We also experienced higher mortalities in the Western Cape at breeder level, impacted by bird health.

We started the year with very high performance at our broiler farms. Despite having a winter production plan, the efficiency of the broilers weakened with the onset of colder weather. This led to lower daily growth rates, higher feed conversion rates, lower slaughter weights and lower profitability. Various additional measures were implemented to reverse the lower performance. What was positive, however, is that despite weaker production performance in the winter period of 2024, results were still significantly better than the performance achieved in the winter period of 2023.

HPAI impacted one broiler breeder farm in the northern regions, but due to quarantine regulations, the hatchery on the same property also had to close for a period. When the hatchery reopened, we could absorb farm employees there, avoiding employee retrenchments. To supplement reduced local supply, we imported hatching eggs from Brazil and Spain. This was a costly venture with quality issues, complex handling and logistics challenges.

On top of this, we had to absorb significant costs related to laboratory testing, additional veterinary surveillance services, and transportation costs for chicken samples. Chickens from imported eggs had to be managed separately on the farm to ensure traceability.

Due to temporary shortages in the day-old chick market, customers were willing to pay higher prices. However, this did not match the effort and cost to secure supply. For this reason, we stopped imports in February, settling for lower volumes but much better quality.

Total day-old chick production increased by 4.0% and live broiler volumes supplied increased by 4.4%.

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[1] *Aviagen owns the Ross broiler brand. https://aviagen.com/#*

Layer farming

Layer farming revenue decreased by 10.4% to R168 million in one of the most difficult years ever for this business.

HPAI resulted in 90% of our parent flock being culled and all breeder and northern rearing farms being quarantined for a minimum of three to four months. This caused major disruptions to the normal bird placement and depopulation cycles. The HPAI outbreak was devastating for the *Bergvlei Chicks* business, which relies on the northern region for more than 80% of production.

We converted our hatchery to meet import status requirements and obtained the necessary permits. Hatching eggs were imported from international sources to augment the severely restricted local supply, but imports turned out to be of lower quality in addition to being significantly more expensive. As per regulations, the imported hatching eggs had to be incubated separately from local eggs. This was a very costly process, but it ensured some supply of day-old chicks for placement on rearing farms and ultimate supply to the egg packing stations, which suffered from an extreme shortage of eggs.

We implemented a robust recovery plan to ensure a pipeline of day-old pullets and to start new flock placement at our own and contracted farms. By the end of FY2024, the Bergvlei Chicks business was self-sufficient in terms of locally produced hatching eggs. We also had sufficient layer breeder birds to supply day-old chicks to rebuild our layer flock and increase livestock sales to customers. Smaller, geographically spread flocks negatively impacted the cost of hatching egg production but reduced the risk of disease interruption.

Customers were very supportive this year. However, the exceptional growth in the day-old chick export business we started building last year had to be put on hold due to HPAI-related border closures.

Egg production volumes for FY2024 were approximately 64% lower than the previous year, leading to significant cost under-recovery on the layer farms.

To enable us to scale volumes in line with market demand while our own farms were under quarantine, day-old chicks and point-of-lay hens were placed on contractor farms for rearing and commercial egg production.

We expect the commercial layer flock recovery in South Africa to be slow and egg prices to remain above average well into 2025. Our intent is to place fewer birds than previously at the Gauteng/North West farms in the next year, applying a phased approach.

With these arrangements in place, we decided to put three of our North West farms on the market for sale. These farms are all located in high-risk areas for HPAI, and all have older infrastructure.

The impact of HPAI on the Western Cape was lower this year. Mitigation for lower egg production included keeping birds at farms in the Western and Eastern Cape in production for extended periods despite lower performance and higher feed conversion rates.

ANNEXURE 1 (CONTINUED)

EGGS

Revenue

↓ **R859** MILLION

-35.0% from FY2023

Adjusted operating profit

↑ **R140** MILLION

(FY2023: R42 million loss)

Total volumes

↓ **54.5%**

down from FY2023

Highlights

- Sales channel and egg realisation management
- Improvement in packing station efficiencies
- Exit Free State market in line with strategic intent

Areas of concern/improvement

- Extended layoffs at packing stations
- Loss of key personnel at Sova and Pinetown packing stations
- Financial performance of Sova and Pinetown packing stations
- Lower sales to a large liquid egg customer

HPAI significantly impacted the egg business as we lost our total commercial layer flock in Gauteng/North West. The permanent closure of the Bloemfontein egg packing station was already planned for FY2024. However, we negotiated to exit the rental contract earlier due to the impact of HPAI.

The Pinetown egg packing station was mothballed as 100% of egg volumes were from Gauteng/North West, with no eggs available from September 2023. This egg packing station started operations again in August 2024, following flock placements at our biggest farm in Gauteng. Due to good relationships with our anchor customers, we started clawing back market share, albeit at reduced prices.

The Sova egg packing station in Gauteng continued operating with limited volumes. Eggs were transported from Gqeberha and the Western Cape, enabling us to continue serving customers in the formal retail and informal markets. To mitigate our egg supply challenge, we contracted with external producers to place a limited number of our own birds on their farms. As a new mitigation measure, this gave us access to supply in lower-risk areas closer to our operations.

OTHER AFRICAN COUNTRIES

Revenue

↑ **R468** MILLION

+5.7% from FY2023

Adjusted operating profit

↑ **R45** MILLION

(FY2023: R1 million loss)

Egg volumes

↓ **0.7**%

Day-old chick volumes

↑ **56.7**%

Highlights

- Commercial egg production in Zambia and Mozambique
- Egg sales and realisation in Zambia and Mozambique
- Completion of the Lusaka feed mill project
- Improvement in Uganda broiler breeder production
- Day-old chick sales in Uganda (also from own Sasso parents)
- Established day-old chick export channels from Uganda

Areas of concern/improvement

- Lusaka broiler breeder production
- Very high raw material costs in Zambia
- Very low demand for feed sales in Zambia
- Very high levels of load shedding in Zambia
- Uganda commercial layer production
- Uganda breeder flocks spread over four locations
- Interruption of point-of-lay placement in Mozambique

Zambia

Trading conditions in Zambia were impacted mainly by the weakening Zambian Kwacha, a significant increase in maize costs, higher inflation and increasing levels of load shedding. This negatively impacted margins in the egg business and the demand for feed.

The weakening of the Kwacha resulted in much higher costs, as management salaries, vaccination expenses, soya meal, water treatment and spare parts are mostly paid in foreign currency.

Day-old chick sales volumes improved from very low volumes in FY2023 despite the negative impact of higher feed costs on the demand for day-old chicks. The commercial egg business continued to be the core strength of the Zambian business.

Extended load shedding caused generator breakdowns, while the completion of the Lusaka feed mill expansion made a limited contribution due to raw material cost increases that significantly affected demand.

ANNEXURE 1 (CONTINUED)

Uganda

Trading conditions in Uganda improved due to lower feed raw material costs, which stimulated demand for day-old chick volumes and feed. Disease outbreaks continued on one of our Kampala farms, while both farms in the city are becoming problematic due to urban sprawl. To meet lively market demand, we rented an additional farm and started planning for additional facilities on the existing layer breeder farm while considering our options for buying and selling property.

Uganda's newly appointed managing director created a new sales structure with agents in Kenya and new clients in Tanzania. This will enable us to ramp up exports as soon as we have geared our supply pipeline. We obtained access to Sasso genetics, imported hatching eggs and started selling our first own-produced Sasso day-old chicks in May 2024.

The Sasso breed of chickens and layers have been specially bred for efficiency in an informal husbandry environment. They are strong, robust and can thrive in harsh African climate conditions while providing high performance and a balance of traits, such as rusticity[1], good meat quality and easy management.

We have been able to effectively manage a mix of breeds in our hen houses and hatcheries despite the associated operational complexities.

Feed sales volumes showed a good improvement, albeit from a low base.

Mozambique

In Mozambique, egg selling prices increased significantly due to HPAI-reduced supply restrictions from South Africa. Feed costs declined compared to the previous year.

Egg sales declined over the year due to lower hen numbers and older flocks. Point-of-lay hen replacement was challenging due to border closures, but we eventually obtained a permit to import hens from South Africa and Swaziland by road into Mozambique.

The *Galovos* egg brand remained strong in the retail market in southern Mozambique.

AD van der Merwe
Chief executive officer

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[1] *The natural resistance of a breed to disease and its ability to adapt to different climates and farming conditions.*

CFO REPORT

Financial performance stabilised at healthy levels of profitability towards the end of the financial year as volumes recovered following the HPAI outbreaks. Results improved significantly compared to the previous year based on lower raw material prices, higher broiler efficiencies, higher egg prices, lower energy costs and strong performance from operations in Africa.

Salient features

- Revenue decreased by 8.9% to R6 332 million
- Cost of sales decreased by 11.5% to R5 107 million with feed costs declining, improved broiler efficiencies and lower volumes produced
- Biological assets of R37 million were written off due to HPAI compared to R155 million in FY2023
- Operating profit increased to R231 million from a loss of R36 million in FY2023
- Headline earnings per share increased to 80.4 cents
- Animal feeds revenue decreased by 6.6% and adjusted operating profit decreased by 9.5%
- Broiler and layer farming revenue increased by 2.1% and recorded an adjusted operating loss of R11 million
- The eggs business revenue decreased by 35.0% but recorded an adjusted operating profit of R140 million
- Other African countries increased revenue by 5.7% and recorded an adjusted operating profit of R45 million

Revenue growth impacted by HPAI

Group revenue decreased by 8.9% to R6.3 billion (FY2023: R7.0 billion) in a year characterised by:

- A 6.6% decrease in revenue from the animal feed business, including a 0.5% drop in sales volumes, mostly due to HPAI and a 6.2% decrease in average selling prices following adjustment for lower raw material costs.
- A 2.1% increase in revenue from the farming segment, with live broiler sales volumes increasing by 4.4% and selling prices reducing by 5.1% on the back of lower production costs. Layer farming volumes impacted by HPAI, resulted in lower revenue from this business.
- A 35.0% decrease in revenue from the egg segment with a 54.5% decrease in sales volumes, partially offset by elevated egg prices in South Africa, resulting from the shortage of eggs following the 2023 HPAI outbreaks.
- Revenue from Zambia decreased mainly due to lower feed sales and the weakening of the Kwacha.
- Day-old chick volume increases in Uganda and higher egg prices in Mozambique were the main drivers of revenue growth in these countries.

Revenue for South African operations decreased by 9.9% to R5 864 million (FY2023: R6 510 million).

Revenue from other African operations increased by 5.7% to R468 million (FY2023: R443 million). Revenue from other African operations contributed 7.4% to total revenue, up from 6.4% in 2023.

ANNEXURE 1 (CONTINUED)

Disciplined cost management

Cost of sales decreased by 11.5% to R5.1 billion (FY2023: R5.8 billion) and cash operating expenses increased by 3.1% to R1 088 million (FY2023: R1 055 million) and included:

- Lower raw material costs related to reduced international selling prices leading to lower operational costs:
  - The average price of yellow maize on SAFEX decreased by 5.2%
  - The average landed price of soya meal decreased by 11.0%
  - The weighted average cost of layer and broiler feed decreased by 7.9% and 8.5%, respectively
- Lower costs resulting from HPAI outbreaks, which included R37 million for biological assets written off compared to R155 million for FY2023.
- No load shedding since March 2024 with lower fuel cost offset against rising electricity prices. Generator fuel expenses decreased by R38 million from FY2023.
- Manpower and distribution costs were lower, mostly due to HPAI volume impacts.
- Higher head office cost resulted from professional fees pertaining to certain shareholder-related and legal matters.
- A R27.2 million provision for short term incentive bonus (FY2023: R4.6 million).

A return to profitability

Operating profit before items of a capital nature was R232 million compared to a loss of R35 million in the previous year.

South African operations recorded an operating profit of R224 million (FY2023: loss of R19 million) at a margin of 3.8% (FY2023: -0.3%). Other African countries recorded an operating profit of R45 million (FY2023: loss of R1 million) at a margin of 9.7% (FY2023: -0.3%).

The realised fair value adjustments for the current reporting period amounted to a profit of R172 million (FY2023: loss of R64 million), which included a R37 million (FY2023: R155 million) biological asset write-off due to birds being infected with HPAI. The change in the fair value adjustment from a loss to a profit is primarily due to the increased margin on eggs produced. Gross profit, excluding the fair value adjustments, increased by R278 million to R1 396 million (FY2023: R1 119 million) at a margin of 22.1% (FY2023: 16.1%).

Profit from the animal feed segment decreased by R10 million. The lower profit includes a charge of R10 million related to additional costs incurred following the explosion at the Malmesbury feed mill. Any insurance recovery will only be accounted for in FY2025.

The significant increase in egg selling prices in South Africa contributed mostly to the eggs segment's profit increasing by R182 million compared to the previous year.

The farming segment reported a loss of R11 million compared to a loss of R80 million in FY2023. Profit from the broiler farming business improved from FY2023 while the layer farming business earnings remained severely impacted by the continuing impact of the HPAI outbreaks that started in FY2023. Layer farming earnings were negatively impacted, especially in the first half of FY2024, by costs incurred to cull infected birds, clean and prepare farms for future placement, cost under recovery due to very low production volumes and weaker efficiencies caused by disruption to the normal bird placement cycle.

Profits from Uganda and Mozambique were much improved from FY2023. In Uganda day-old chick demand improved on the back of lower feed raw material costs and in Mozambique the business benefitted from significantly increased egg prices. Zambia reported lower earnings, impacted by challenging trading conditions due to high raw material costs, weak demand for feed and day-old chicks, high levels of load shedding and a weakening currency.

Head office costs increased from R15 million in FY2023 to R37 million in FY2024, due to higher expenditure on corporate matters.

Headline earnings per share increased to a profit of 80.4 cents from a loss of 17.4 cents in FY2023.

Healthy cash flows evident

Cash flow from operating activities amounted to R264 million (FY2023: R276 million) and included an increased investment in working capital of R110 million (FY2023: decrease of R53 million).

The increase in the investment in working capital for FY2024 included:

- The partial rebuilding of the layer flock. The write-off of biological assets was a non-cash flow item.
- Total inventory on hand decreased to R362 million (FY2023: R416 million).
- Total trade and other receivables increased by R31 million to R721 million.
- Total trade and other payables increased by R69 million to R697 million.

Cash flow from investing activities includes capital expenditure on property, plant and equipment and intangible assets amounting to R153 million (FY2023: R143 million).

In addition to maintenance capital, the main projects were the expansion of the Malmesbury feed mill and the construction of new layer rearing houses.

Cash flow from financing activities amounted to an inflow of R61 million (FY2023: outflow of R50 million). This includes the borrowings of R100 million raised following the conclusion and draw down of the term loan facility. Covenants for the working capital facility and the term loan facility were maintained with significant headroom.

Cash and cash equivalents improved from R71 million at 30 September 2023 to R246 million, with Quantum Foods also having a term debt of R99 million at 30 September 2024.

The Rand value of the Group's investment in the other African countries segment decreased by R90 million from 30 September 2023, primarily due to the devaluation of the Zambian Kwacha to the Rand.

Dividend declaration

The Board resolved not to declare a final dividend for FY2024.

A Muller
Chief financial officer

INDEPENDENT AUDITOR'S REPORT ON THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

To the shareholders of Quantum Foods Holdings Limited

Introduction

The summary consolidated financial statements of Quantum Foods Holdings Limited, contained in the accompanying notice of annual general meeting, which comprise the summary consolidated statement of financial position as at 30 September 2024, consolidated statements of comprehensive income, the summary consolidated statement of changes in equity and summary consolidated cash flow statement for the year then ended, and related notes, are derived from the audited consolidated financial statements of Quantum Foods Holdings Limited for the year ended 30 September 2024.

Opinion

In our opinion, the accompanying summary consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements, in accordance with the requirements of the JSE Limited Listings Requirements for summary consolidated financial statements, as set out in Note 1 to the summary consolidated financial statements, and the requirements of the Companies Act of South Africa as applicable to summary consolidated financial statements.

Summary Consolidated Financial Statements

The summary consolidated financial statements do not contain all the disclosures required by IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act of South Africa as applicable to annual financial statements. Reading the summary consolidated financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited consolidated financial statements and the auditor's report thereon.

The Audited Consolidated Financial Statements and Our Report Thereon

We expressed an unmodified audit opinion on the audited consolidated financial statements in our report dated 26 November 2024. That report also includes the communication of key audit matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period.

Director's Responsibility for the Summary Consolidated Financial Statements

The directors are responsible for the preparation of the summary consolidated financial statements in accordance with the requirements of the JSE Limited Listings Requirements for summary financial statements, set out in Note 1 to the summary consolidated financial statements, and the requirements of the Companies Act of South Africa as applicable to summary financial statements.

Auditor's Responsibility

Our responsibility is to express an opinion on whether the summary consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised), Engagements to Report on Summary Financial Statements.

Ernst & Young Inc.

Ernst & Young Inc.
Director: Pierre du Plessis
Registered Auditor
Chartered Accountant (SA)
26 November 2024

SUMMARY CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 30 September 2024

	2024 **R'000**	2023 R'000
ASSETS		
Non-current assets	**1 429 050**	1 420 267
Property, plant and equipment	**1 368 237**	1 353 253
Right-of-use assets	**36 755**	34 519
Intangible assets	**9 014**	12 268
Investment in associate	**11 924**	11 200
Trade and other receivables	**2 657**	2 827
Deferred income tax	**463**	6 200
Current assets	**1 786 375**	1 513 361
Inventories	**361 857**	415 630
Biological assets	**460 093**	338 380
Trade and other receivables	**718 573**	687 761
Current income tax	**24**	225
Cash and cash equivalents	**245 828**	71 365
Total assets	**3 215 425**	2 933 628
EQUITY AND LIABILITIES		
Capital and reserves attributable to owners of the parent	**2 094 715**	2 015 936
Share capital	**1 473 619**	1 465 069
Treasury shares	**(429)**	(429)
Other reserves	**(114 949)**	(29 676)
Retained earnings	**736 474**	580 972
Total equity	**2 094 715**	2 015 936
Non-current liabilities	**383 203**	265 610
Borrowings	**79 400**	–
Lease liabilities	**27 261**	21 907
Deferred income tax	**264 254**	234 621
Provisions for other liabilities and charges	**12 288**	9 082
Current liabilities	**737 507**	652 082
Trade and other payables	**696 531**	627 870
Derivative financial instruments	**487**	58
Current income tax	**2 651**	1 774
Borrowings	**20 000**	–
Lease liabilities	**15 824**	21 299
Provisions for other liabilities and charges	**2 014**	1 081
Total liabilities	**1 120 710**	917 692
Total equity and liabilities	**3 215 425**	2 933 628

SUMMARY CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 30 September 2024

	Notes	**2024 R'000**	2023 R'000
Revenue	3	**6 332 075**	6 952 575
Cost of sales		**(5 107 263)**	(5 769 663)
Gross profit		**1 224 812**	1 182 912
Other income		**16 186**	18 853
Other gains/(losses) – net	4	**185 243**	(66 389)
Sales and distribution costs		**(249 273)**	(287 386)
Marketing costs		**(10 639)**	(12 572)
Administrative expenses		**(183 814)**	(154 987)
Net impairment losses on trade and other receivables		**(2 068)**	(5 941)
Other operating expenses		**(749 527)**	(710 413)
Operating profit/(loss)		**230 920**	(35 923)
Investment income		**8 032**	5 477
Finance costs		**(19 818)**	(23 585)
Share of profit of associate company		**724**	1 070
Profit/(loss) before income tax		**219 858**	(52 961)
Income tax (expense)/credit		**(59 454)**	17 387
Profit/(loss) for the year		**160 404**	(35 574)
Other comprehensive income for the year			
Items that may subsequently be reclassified to profit or loss:			
Fair value adjustments to cash flow hedging reserve		**(5 750)**	(3 000)
For the year		**15 357**	(39 378)
Income tax effect		**(4 146)**	10 632
Realised to profit or loss		**(23 233)**	35 269
Income tax effect		**6 272**	(9 523)
Movement in foreign currency translation reserve			
Currency translation differences		**(89 755)**	(50 333)
Total comprehensive income/(loss) for the year		**64 899**	(88 907)
Profit/(loss) for the year attributable to owners of the parent		**160 404**	(35 574)
Total comprehensive income/(loss) for the year attributable to owners of the parent		**64 899**	(88 907)
Earnings per ordinary share (cents)	5	**80.0**	(17.8)
Diluted earnings per ordinary share (cents)	5	**78.8**	(17.8)

SUMMARY CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 30 September 2024

	2024 R'000	2023 R'000
Share capital and treasury shares	**1 473 190**	1 464 640
Opening balance	**1 464 640**	1 463 679
Ordinary shares acquired by subsidiary	**–**	(2 336)
Ordinary shares issued/transferred – share appreciation rights	**8 550**	3 297
Other reserves	**(114 949)**	(29 676)
Opening balance	**(29 676)**	20 962
Other comprehensive income for the year	**(95 505)**	(53 333)
Recognition of share-based payments	**13 880**	6 391
Ordinary shares transferred – share appreciation rights	**(3 648)**	(3 696)
Retained earnings	**736 474**	580 972
Opening balance	**580 972**	616 147
Profit/(loss) for the year	**160 404**	(35 574)
Ordinary shares transferred – share appreciation rights	**(4 902)**	399
Total equity	**2 094 715**	2 015 936

SUMMARY CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 30 September 2024

	2024 R'000	2023 R'000
Cash flow from operating activities	**264 268**	276 410
Cash profit from operating activities	**384 934**	232 158
Working capital changes	**(110 149)**	52 522
Cash effect of hedging activities	**–**	(4 030)
Cash generated from operations	**274 785**	280 650
Income tax paid	**(10 517)**	(4 240)
Cash flow from investing activities	**(140 457)**	(135 888)
Additions to property, plant and equipment	**(153 354)**	(138 475)
Additions to intangible assets	**(58)**	(4 059)
Proceeds on disposal of property, plant and equipment	**4 720**	663
Repayment of loan included in other debtors	**708**	687
Interest received	**7 527**	5 296
Cash surplus	**123 811**	140 522
Cash flow from financing activities	**60 924**	(49 662)
Principal elements of lease payments	**(19 919)**	(24 935)
Borrowings raised	**100 000**	–
Shares issued	**8 550**	–
Treasury shares acquired by subsidiary	**(8 550)**	(2 336)
Interest paid	**(19 148)**	(22 335)
Dividends paid to ordinary shareholders	**(9)**	(56)
Increase in cash and cash equivalents	**184 735**	90 860
Effects of exchange rate changes	**(10 272)**	(8 432)
Cash and cash equivalents at beginning of year	**71 365**	(11 063)
Cash and cash equivalents at end of year	**245 828**	71 365

SEGMENTAL ANALYSIS

for the year ended 30 September 2024

	2024 R'000	2023 R'000
SEGMENT INFORMATION		
Segment revenue	**6 341 212**	6 964 945
Eggs	**858 979**	1 322 275
Farming	**1 875 537**	1 840 995
Animal feeds	**3 138 813**	3 358 828
Other African countries	**467 883**	442 847
Less: Internal revenue	**(9 137)**	(12 370)
Farming	**(9 137)**	(12 370)
External revenue	**6 332 075**	6 952 575
Eggs	**858 979**	1 322 275
Farming	**1 866 400**	1 828 625
Animal feeds	**3 138 813**	3 358 828
Other African countries	**467 883**	442 847
Segment results – excluding items of a capital nature	**232 243**	(34 716)
Eggs	**140 108**	(42 367)
Farming	**(10 636)**	(80 310)
Animal feeds	**94 231**	104 168
Other African countries	**45 448**	(1 369)
Head office costs	**(36 908)**	(14 838)
Items of a capital nature per segment included in other gains/(losses) – net		
Profit/(loss) on disposal of property, plant and equipment before income tax	**(1 323)**	(1 207)
Eggs	**1 391**	–
Farming	**(2 567)**	(1 055)
Animal feeds	**(297)**	(658)
Other African countries	**150**	506
Segment results	**230 920**	(35 923)
Eggs	**141 499**	(42 367)
Farming	**(13 203)**	(81 365)
Animal feeds	**93 934**	103 510
Other African countries	**45 598**	(863)
Head office costs	**(36 908)**	(14 838)
A reconciliation of the segment results (operating profit/(loss)) to profit/(loss) before income tax is provided below:		
Segment results	**230 920**	(35 923)
Adjusted for:		
Investment income	**8 032**	5 477
Finance costs	**(19 818)**	(23 585)
Share of profit of associate company	**724**	1 070
Profit/(loss) before income tax per statement of comprehensive income	**219 858**	(52 961)

NOTES TO THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 September 2024

1. Basis of preparation

The summary consolidated financial statements are prepared in accordance with the requirements of the JSE Ltd ("JSE") for summary financial statements, and the requirements of the Companies Act applicable to summary financial statements. The JSE requires summary financial statements to be prepared in accordance with the framework concepts and the measurement and recognition requirements of the International Financial Reporting Standards ("IFRS Accounting Standards") and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and the Financial Pronouncements as issued by the Financial Reporting Standards Council and to also, as a minimum, contain the information required by IAS 34 Interim Financial Reporting. The accounting policies applied in the preparation of the consolidated annual financial statements from which the summary consolidated financial statements were derived are in terms of IFRS Accounting Standards and are consistent with those accounting policies applied in the preparation of the previous consolidated annual financial statements.

2. Accounting policies

These summary consolidated financial statements incorporate accounting policies that are consistent with those applied in the Group's consolidated financial statements for the year ended 30 September 2024 and with those of previous financial years.

	2024 **R'000**	2023 R'000

3. Revenue from contracts with customers

The Group derives revenue from the transfer of goods at a point in time.

Disaggregation of revenue from contracts with customers:		
Eggs	**1 174 064**	1 627 094
– included in eggs segment	**858 980**	1 322 275
– included in other African countries segment	**315 084**	304 819
Layer farming*	**213 503**	221 376
– included in farming segment	**167 665**	187 154
– included in other African countries segment	**45 838**	34 222
Broiler farming**	**1 773 068**	1 689 484
– included in farming segment	**1 698 734**	1 641 471
– included in other African countries segment	**74 334**	48 013
Animal feeds	**3 171 440**	3 414 621
– included in animal feeds segment	**3 138 813**	3 358 828
– included in other African countries segment	**32 627**	55 793
	6 332 075	6 952 575

* *Layer farming sales includes the sale of day-old pullets and point-of-lay hens.*

** *Broiler farming sales includes the sale of day-old broilers and live birds.*

NOTES TO THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

for the year ended 30 September 2024

	2024 R'000	2023 R'000
4. Other gains/(losses) – net		
Biological assets fair value adjustment	**31 931**	(67 379)
Unrealised – reflected in carrying amount of biological assets	**8 194**	8 847
Realised – reflected in cost of goods sold	**23 737**	(76 226)
Agricultural produce fair value adjustment	**150 684**	13 814
Unrealised – reflected in carrying amount of inventory	**2 790**	1 608
Realised – reflected in cost of goods sold	**147 894**	12 206
Foreign exchange differences	**(3 071)**	218
Financial instruments fair value adjustments	**–**	7
Foreign exchange contract cash flow hedging ineffective loss	**(475)**	(63)
Futures contract cash flow hedging ineffective profit/(loss)	**7 497**	(11 779)
Loss on disposal of property, plant and equipment	**(1 323)**	(1 207)
	185 243	(66 389)

Biological assets fair value adjustment

The adjustment of biological assets from cost to fair value includes a realised and unrealised component. The unrealised portion is reflected in the carrying amount of biological assets in the statement of financial position, and the realised portion is reflected in cost of goods sold in profit and loss.

	2024 **R'000**	2023 R'000

5. Earnings per ordinary share

Basic

The calculation of basic earnings per share is based on profit/(loss) for the year attributable to owners of the parent divided by the weighted average number of ordinary shares (net of treasury shares) in issue during the year:

	2024 **R'000**	2023 R'000
Profit/(loss) for the year	**160 404**	(35 574)
Weighted average number of ordinary shares in issue ('000)	**200 564**	199 553

	2024 **Number '000**	2023 Number '000
Diluted		
Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive contingent ordinary shares.		
Weighted average number of ordinary shares in issue used as the denominator in calculating basic earnings per share	**200 564**	199 553
Adjustment for calculation of diluted earnings per share – Share appreciation rights	**2 992**	–
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share	**203 556**	199 553

Share appreciation rights issued in terms of the share incentive scheme have a potential dilutive effect on earnings per ordinary share. Share appreciation rights issued in terms of the share incentive scheme were not included in the calculation of diluted basic and headline earnings per share for the year ended 30 September 2023 because they were antidilutive.

The calculation of diluted earnings per share is based on profit/(loss) for the year attributable to owners of the parent divided by the diluted weighted average number of ordinary shares (net of treasury shares) in issue during the year:

NOTES TO THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

for the year ended 30 September 2024

	2024 R'000	2023 R'000
5. Earnings per ordinary share (continued)		
Profit/(loss) for the year	**160 404**	(35 574)
Diluted weighted average number of ordinary shares in issue ('000)	**203 556**	199 553
Headline earnings is calculated in accordance with Circular 1/2023 issued by the South African Institute of Chartered Accountants.		
Reconciliation between profit/(loss) attributable to owners of the parent and headline earnings		
Profit/(loss) for the year	**160 404**	(35 574)
Remeasurement of items of a capital nature		
Loss on disposal of property, plant and equipment	**941**	812
Gross	**1 323**	1 207
Tax effect	**(382)**	(395)
Headline earnings for the year	**161 345**	(34 762)
Earnings per ordinary share (cents)	**80.0**	(17.8)
Diluted earnings per ordinary share (cents)	**78.8**	(17.8)
Headline earnings per ordinary share (cents)	**80.4**	(17.4)
Diluted headline earnings per ordinary share (cents)	**79.3**	(17.4)

6. Contingent liabilities

No litigation matters with potential material consequences exist as at the reporting date.

7. Future capital commitments

Capital expenditure approved by the Board and contracted for amounts to R131.0 million (2023: R31.6 million). Capital expenditure approved by the Board, but not yet contracted for, amounts to R135.8 million (2023: R291.4 million).

8. Events after the reporting period

Dividend
The Board has resolved not to declare a final dividend for the year ended 30 September 2024 (2023: nil cents).

There have been no other events that may have a material effect on the Group that occurred after the end of the reporting period and up to the date of approval of the summary consolidated financial statements by the Board.

9. Preparation of financial statements

These summary consolidated financial statements have been prepared under the supervision of AH Muller, CA(SA), chief financial officer.

10. Audit

The annual financial statements were audited by Ernst & Young Inc., who expressed an unmodified opinion thereon. The audited annual financial statements and the auditor's report thereon are available for inspection on the Company's website, https://quantumfoods.co.za/financial-reports/ or at the Company's registered office.

ANNEXURE 2

SHAREHOLDER INFORMATION

for the year ended 30 September 2024

Shareholder distribution

Category	Number of ordinary shareholders	% of shareholders	Number of ordinary shares	% of total ordinary shares
Ordinary shares				
Individuals	3 556	94.3	8 777 969	4.4
Nominees and trusts	125	3.3	1 701 278	0.8
Investment companies and corporate bodies	89	2.4	190 718 905	94.8
	3 770	100.0	201 198 152	100.0

Shareholder spread

Pursuant to the JSE Listings Requirements and to the best knowledge of the directors, after reasonable enquiry, the spread of shareholders as at 30 September 2024, was as follows:

Category	Number of ordinary shareholders	% of shareholders	Number of ordinary shares	% of total ordinary shares
Public shareholding				
Braemar Trading Limited	1	0.0	61 620 184	30.6
Country Bird Holdings (Pty) Ltd	1	0.0	34 569 197	17.2
Capitalworks Private Equity	1	0.0	12 551 278	6.2
Other shareholders	3 762	99.9	9 464 864	4.8
Non-public shareholding				
Aristotle Africa S.à r.l.*	1	0.0	69 973 366	34.8
Other shareholders				
Directors	3	0.1	12 927 408	6.4
WA Hanekom	1	0.0	11 679 620	5.8
Other directors	2	0.1	1 247 788	0.6
Quantum Foods (Pty) Ltd	1	0.0	91 855	0.0
	3 770	100.0	201 198 152	100.0

* Aristotle Africa S.à r.l. is an associate of G Vaughan-Smith, a director of the Company..

Category	Number of ordinary shareholders	% of shareholders	Number of ordinary shares	% of total ordinary shares
## Major shareholders				
Analysis of shareholding and shareholders holding 5% or more – ordinary shares:				
Aristotle Africa S.à r.l.	1	0.0	69 973 366	34.8
Braemar Trading Limited	1	0.0	61 620 184	30.6
Country Bird Holdings (Pty) Ltd	1	0.0	34 569 197	17.2
Capitalworks Private Equity	1	0.0	12 551 278	6.2
WA Hanekom	1	0.0	11 679 620	5.8
## Shareholder range				
Number of shares				
1 – 1 000 shares	3 035	80.5	415 896	0.2
1 001 – 10 000 shares	554	14.7	1 958 409	1.0
10 001 – 100 000 shares	161	4.3	3 951 939	2.0
100 001 – 1 000 000 shares	11	0.3	2 966 879	1.5
1 000 001 shares and over	9	0.2	191 905 029	95.3
	3 770	100.0	201 198 152	100.0

ANNEXURE 3

Unless otherwise defined herein, capitalised terms shall bear the meanings ascribed thereto in the notice of annual general meeting to which this document is annexed as Annexure 3.

Directors up for re-election

Mr Wouter André Hanekom (66) ("André")

Chairman

André joined the Board on 1 October 2014 and was elected as chairman on 28 April 2015.

Qualifications

CA(SA).

Quantum Foods Board and committee membership

Board chairman, social and ethics, remuneration, and nomination (chairman).

André joined Bokomo Breakfast Cereals in 1988 as a financial manager. He was later appointed as operational executive and, in 1994, he was appointed as chief executive officer of Bokomo. Following the merger between Sasko and Bokomo, André served as the executive responsible for Sasko Milling and Baking. In 1999 he was appointed as the chief executive officer of Pioneer Foods Group Limited ("Pioneer Foods"). André retired as the chief executive officer of Pioneer Foods in March 2013.

Mr Larry Wilson Riddle (65) ("Larry")

Independent non-executive director

Larry was appointed to the Board on 28 September 2020.

Qualifications

BCom, BAccSc (Hons), CA(SA).

Quantum Foods Board and committee membership

Non-executive director, audit and risk, remuneration, nomination and investment (chairman).

Larry previously held the positions of commercial director and group corporate and external affairs director of Illovo Sugar Africa (Pty) Ltd ("Illovo") for seven years and three years, respectively. He held a number of senior management positions within Illovo, including general manager of the Illovo South African Operations prior to his appointment as a director. Larry played a key role in looking after the Illovo joint ventures and associate companies in the Illovo group, including Gledhow Sugar Company, Glendale Distilling Company, Lacsa (Pty) Ltd and Relax Ltd. He was chairman of a number of the Illovo retirement funds. He is a former chairman of the South African Sugar Millers' Association NPC and the Ethanol Producers Association of Southern Africa. Larry is currently the chairman of Crookes Brothers Ltd.

Directors whose appointments are up for confirmation

Mr Pieter Francois Theron Burger (61) ("Piet")

Independent non-executive director

Piet was appointed to the Board with effect from 29 July 2024.

Qualifications

B Eng (Chemical), MBA.

Quantum Foods Board and committee membership

Non-executive director, social, ethics and transformation, and audit and risk.

Piet has over 30 years of manufacturing experience having held executive positions at both Tiger Brands Limited and Pioneer Foods, together with various management positions at Pioneer Foods.

Ms Adel Deidre van der Merwe (53) ("Adel")

Executive director

Adel was appointed as the Group CEO with effect from 1 April 2024.

Qualifications

BCom Management Accounting.

Quantum Foods Board and committee membership

Executive director and CEO.

Adel has been with Quantum Foods since 2008. Adel started out in the corporate finance department of Pioneer Foods in 1995 and moved to central procurement where she spent the bulk of her time involved in raw materials and commodities procurement. In 2008, she joined Nova Feeds while it was still a division of Pioneer Foods. She joined the Eggs business during 2016. She has more than 15 years' experience in the animal feeds and food industry.

ANNEXURE 3 (CONTINUED)

Persons who have been nominated for election as directors

Mr Hamish Bryan Wilburn Rudland (53) ("Hamish")

Hamish is an investor with over 25 years' business experience across various sectors including transport, logistics, agriculture, agro-processing, distribution and property. In 1998, Hamish co-founded Pioneer Corporation Africa, a passenger transport company that diversified into fuel tank haulage. He also founded Chepstow Investments Limited in 2014, a Mauritian domiciled investment holding company.

Hamish currently serves as a non-executive director of the following listed companies: Agriterra Limited (AIM), TSL Limited (ZSE) and Zimplow Holdings Limited (VFEX), as well as a non-executive director of a number of private companies.

Qualifications

BBus (Information Systems, Management and Tourism).

The above was extracted from information provided by the nominating shareholder, Braemar Trading Limited.

Ms Catherine N. Kimaryo (48) ("Catherine")

Catherine is the founder and Chief Executive of NCL (Tanzania), a boutique advisory firm focused on enhancing the leadership and strategic effectiveness of individuals, teams and organisations. Catherine serves as a strategic advisor at executive and board levels and is a qualified and practicing executive coach, systemic team coach and leadership mentor.

Catherine has 20 years' experience in development finance across several emerging markets, both as an executive and a practitioner. Between 2005 and 2014 she held various investment officer positions at the International Finance Corporation (IFC) and served as a director at the Eastern and Southern Africa Trade and Development Bank (Kenya) from 2014 until 2017.

Catherine currently serves as the chief executive officer of NCL and as a non-executive director of Jubilee Allianz General Insurance (Tanzania), Hygeia HMO (Nigeria), and Akiba Commercial Bank Plc (Tanzania) where she also sits as chairperson of the board.

Qualifications

BCom (Finance & Accounting), MBA, Practitioner Diploma in Executive Coaching, Systemic Coaching Certificate.

The above was extracted from information provided by the nominating shareholder, Country Bird Holdings Proprietary Limited.

ANNEXURE 4

Unless otherwise defined herein, capitalised terms shall bear the meanings ascribed thereto in the notice of annual general meeting to which this document is annexed as Annexure 4.

Members of the audit and risk committee up for election

Mr Geoffrey George Fortuin (58) ("Geoff")

Lead independent non-executive director

Geoff joined the Board on 28 April 2015 and was appointed as lead independent director on 9 September 2021.

Qualifications

BCom (Acc), BCom (Acc) (Hons), CA(SA)

Quantum Foods Board and committee membership

Lead independent non-executive director, audit and risk (chairman), remuneration (chairman), and nomination.

Geoff is the financial director of Brimstone Investment Corporation Ltd. He was previously a partner at Deloitte & Touche for 15 years up to 2014, during which time he was responsible for the audit of a number of South African-listed companies. He was also a member of the Deloitte South Africa board of directors.

Mr Larry Wilson Riddle (65) ("Larry")

Independent non-executive director

Larry was appointed to the Board on 28 September 2020.

Qualifications

BCom, BAccSc (Hons), CA(SA)

Quantum Foods Board and committee membership

Non-executive director, audit and risk, remuneration, nomination and investment (chairman).

Larry previously held the positions of commercial director and group corporate and external affairs director of Illovo Sugar Africa (Pty) Ltd ("Illovo") for seven years and three years, respectively. He held a number of senior management positions within Illovo, including general manager of the Illovo South African Operations prior to his appointment as a director. Larry played a key role in looking after the Illovo joint ventures and associate companies in the Illovo group, including Gledhow Sugar Company, Glendale Distilling Company, Lacsa (Pty) Ltd and Relax Ltd. He was chairman of a number of the Illovo retirement funds. He is a former chairman of the South African Sugar Millers' Association NPC and the Ethanol Producers Association of Southern Africa. Larry is currently the chairman of Crookes Brothers Ltd.

Mr Pieter Francois Theron Burger (61) (“Piet”)

Independent non-executive director

Piet joined the Board on 29 July 2024.

Qualifications

B Eng (Chemical), MBA

Quantum Foods Board and committee membership

Non-executive director, social, ethics and transformation, and audit and risk.

Piet has over 30 years of manufacturing experience having held executive positions at both Tiger Brands Limited and Pioneer Foods, together with various management positions at Pioneer Foods.

ANNEXURE 5

Unless otherwise defined herein, capitalised terms shall bear the meanings ascribed thereto in the notice of annual general meeting to which this document is annexed as Annexure 5.

Members of the social, ethics and transformation committee up for election

Mr. Gary Vaughan-Smith (61) ("Gary")

Non-executive director

Gary joined the Board on 19 February 2021.

Qualifications

BSc (Hons) Mathematical Statistics, MPhil Finance, Fellow of the Institute of Actuaries.

Quantum Foods Board and committee membership

Non-executive director, social, ethics and transformation (chairman) and investment.

Gary is the CEO and founding partner of Silverstreet Capital LL.P London, UK, an asset management company that specialises in investing in the African agricultural sector. He has a wealth of experience in the African agricultural sector, specifically in Eastern and Southern Africa. His expertise includes poultry, cattle, processing, storage, seed, and primary production. He has supervised the implementation of over R9bn in investments into the African agricultural sector, the majority of which were greenfield developments. Gary was the Head of the Alternative Investment Group at ABN AMRO Asset Management in London from 2001 to 2006. Prior to that, he was at Gartmore Investments Ltd from 1990 to 2001, where he was head of the Quantitative Investment team and later the Global Portfolio Team. Both positions were located in London. Gary has a wide range of experience in investment management, the acquisition of funding for new investments and in the development of significant projects which have high positive social and environmental impact. He has supervised the implementation of stringent ethical, environmental, social, and governance standards in the organisations that he has managed.

Mr. Wouter André Hanekom (66) ("André")

Chairman

André joined the Board on 1 October 2014 and was elected as chairman on 28 April 2015.

Qualifications

CA(SA).

Quantum Foods Board and committee membership

Board chairman, social and ethics, remuneration, and nomination (chairman).

André joined Bokomo Breakfast Cereals in 1988 as a financial manager. He was later appointed as operational executive and, in 1994, he was appointed as chief executive officer of Bokomo. Following the merger between Sasko and Bokomo, André served as the executive responsible for Sasko Milling and Baking. In 1999 he was appointed as the chief executive officer of Pioneer Foods Group Limited ("Pioneer Foods"). André retired as the chief executive officer of Pioneer Foods in March 2013.

ANNEXURE 5 (CONTINUED)

Mr Pieter Francois Theron Burger (61) (“Piet”)

Independent non-executive director

Piet joined the Board on 29 July 2024.

Qualifications

B Eng (Chemical), MBA

Quantum Foods Board and committee membership

Non-executive director, social, ethics and transformation, and audit and risk.

Piet has over 30 years of manufacturing experience having held executive positions at both Tiger Brands Limited and Pioneer Foods, together with various management positions at Pioneer Foods.

ANNEXURE 6

PART 2: FY2025 REMUNERATION POLICY

Introduction

Part 2 of this report sets out the forward-looking remuneration policy, which will be applied in FY2025.

No changes were made to the LTI component of the remuneration policy for FY2025.

Changes were made to the STI component of the remuneration policy, where specific STI performance targets were set for FY2025.

The implementation of the FY2024 remuneration policy is set out in Part 3 of this report.

Remuneration governance

The remuneration committee of the Company ("Remco") is constituted as a committee of the Board and is responsible for the Group's remuneration policy. The Remco consists of three non-executive directors ("NEDs"), two of whom are independent. The Remco is chaired by an independent NED.

The duties and responsibilities of the Remco primarily revolve around the organisation-wide remuneration policy and implementation. The Remco performs the following main functions:

- Maintaining and approving human resource policies
- Monitoring the impact and implementation of applicable labour legislation that does not fall within the scope of the SETC
- Determining the remuneration packages of directors and the executive committee
- Determining performance targets for STIs
- Determining the outcome of STI performance targets
- Considering the LTI scheme and providing the Board with its recommendations
- Determining the awards to be made to participants under the LTI scheme
- Determining the outcome of LTI performance conditions
- Ensuring that all remuneration packages are fair, market-related and responsible
- Ensuring that directors' remuneration is accurately, completely and transparently disclosed and reported on
- Establishing the criteria to evaluate the performance of the executive committee and directors
- Evaluating and approving the Group's remuneration philosophy, strategy and policy

A detailed list of the Remco's duties and responsibilities is set out in its charter. These should be read together with the remuneration policy.

The Remco charter and remuneration policy are available online at www.quantumfoods.co.za/company-documents.

At a minimum, the Remco meets twice every financial year. Selected individuals may attend these meetings by invitation from the Remco but recuse themselves when decisions on their own remuneration are taken. Three *ad hoc* meetings were held in the reporting period where matters relating to the implementation of the new LTI plan and the appointment of the new CEO were discussed. The membership and meeting attendance records of the Remco are disclosed in the corporate governance report on page 113 of the 2024 integrated report.

ANNEXURE 6 (CONTINUED)

Remuneration philosophy and principles

Quantum Foods' remuneration philosophy supports the delivery of the Company's business strategy. The Remco's remuneration approach combines talent development, career growth opportunities, performance recognition, and a corporate culture driven by performance and value creation.

The remuneration philosophy is determined on an organisation-wide basis.

Quantum Foods aims to ensure that its remuneration policy (as part of its employee value proposition) is competitive enough to make it an employer of choice in the areas where we operate.

Quantum Foods rewards individual, team and business performance and encourages superior performance across the Group.

Fair, ethical and responsible remuneration

The Remco observes the principle of remuneration that is fair, ethical and responsible. The Remco continually examines innovative methods to ensure that remuneration paid to executive directors and staff is in line with the market and that it is justifiable in the context of overall employee remuneration.

In line with the provisions of the Employment Equity Act, No. 55 of 1998 ("Employment Equity Act"), the Remco oversees the results of the Company's TASK and ExecEval grading system. This system enables the Remco to evaluate whether an employee's remuneration is in line with their peers within the same job category to identify and correct any unjustifiable differentials. This supports the principle of equal pay for work of equal value espoused in the Employment Equity Act.

Quantum Foods has a human resources strategy that supports career progression and the development of upcoming talent. Through its talent development programme (in partnership with certain institutions of higher education), students studying for qualifications in animal production participate in the Group's internship programme.

Learnership programmes are available to students in animal production at junior level and students of business management and administration at junior management level. The bursary programme supports Company-employed students studying towards tertiary qualifications in the areas of agriculture, science and other general management and business qualifications.

In addition, the Company offers bursaries to external students in their final years of Agriculture and Agri Sciences studies. The apprenticeship programme has the training of artisans as a specific area of focus. Preference is given to students who will enhance the Group's transformation profile.

Remuneration framework

The remuneration framework consists of total guaranteed package ("TGP") benefits and, depending on an employee's job category and seniority, variable remuneration. Profitability and efficient business processes are the key Group performance indicators for reward. Individual performance indicators are determined according to the key measurable areas which contribute to overall Group performance and strategy execution.

The different components of remuneration, their link to Quantum Foods' business strategy (read more on page 48 of the 2024 integrated report) and positive outcomes in the economic, social and environmental context within which the Group operates, are summarised in the table below:

Component	Policy and link to business strategy
TGP (fixed: applicable to all sectoral and non-sectoral employees) *Ensuring the necessary skills to produce high quality products efficiently and deliver world class customer service.*	Aimed at attracting and retaining talent and ensuring competitiveness. Quantum Foods participates in a reputable South African salary survey and periodically benchmarks total remuneration packages against the market value applicable to various job categories. TGP is generally referenced to the job family market entry level. We use the REMChannel® Survey, which the Remco believes is appropriate in the context of Quantum Foods and its business. Internal salary positioning is based on factors that include work experience, competence, performance, internal historical factors and market influences. Collective bargaining agreements for unionised employees are negotiated annually. The average salary for each job category is reviewed annually, bearing in mind the Company's affordability constraints. Surveys and benchmarks are used in determining executive directors' remuneration, as well as analyses of remuneration paid by comparator companies. The Remco is satisfied that the surveys and benchmarks used are appropriate in the context of Quantum Foods and its business. Efficient operations and customer focus Human capital management
Benefits (fixed: applicable to all employees) *Allowing employees the flexibility of structuring benefits according to individual requirements.*	Benefits form part of TGP and include medical aid, retirement fund contributions, disability and life insurance and travel allowances. Additional benefits such as cellphone allowances are given to qualifying employees. Retirement contributions are made according to statutory requirements and fund-specific rules. Employees receive a long-service bonus equal to one month's TGP for every 10 years of completed service. Employees receive a 13th cheque as part of their TGP. They can either elect to receive the 13th cheque on a once-off basis in December of every year, or have it paid to them in equal instalments over a 12-month period. Efficient operations and customer focus Human capital management

ANNEXURE 6 (CONTINUED)

Component	Policy and link to business strategy
STIs (variable: applicable to senior management) *Drives sound operational efficiency and ESG performance that supports the Group's ability to improve margins and returns on the asset base. This enables the creation of shareholder value.*	The STI constitutes a performance bonus. This bonus is designed to motivate and reward senior management for their contribution to the achievement of short-term targets related to main business drivers, ultimately increasing shareholder value. Performance conditions: **Headline earnings before tax per share ("HEBTPS") target** – the calculation for the achievement of the target is based on an audited and agreed comparative base for the previous financial year. HEBTPS has a 50% weighting. The HEBTPS measure has been retained for FY2025. **Growth in Economic Profit ("EP")** – the growth calculation is based on the weighted average cost of capital over a rolling three-year period, applied to the average net asset base of the Group. EP has a 20% weighting. The EP measure has been retained for the 2025 financial year. **Operational efficiency** – the efficiency calculation is based on targets set for the percentage of second-grade eggs sold at egg packing stations, broiler-type breeder hen production efficiency, layer-type hen production efficiency, operating cost management and ESG performance. Each of the five operational efficiency measures contributes one-fifth to the overall operational efficiency performance measure, which has an overall 30% weighting. For FY2025 the operational efficiency measures have been amended as follows: • New targets were set for the percentage of second-grade eggs sold at egg packing stations, layer-type hen production efficiency, broiler-type breeder hen production efficiency, operating cost management and ESG performance. Details are set out in the STI section below. Separate targets for HEBTPS and operational efficiency are set for STI participants employed in the Group's other African countries to align the earnings achieved in each region. Growth in EP is also measured by country. Executive management determines the HEBTPS, EP and operational efficiency targets for the operations in Zambia, Uganda and Mozambique.

<table>
<tr><th>Component</th><th>Policy and link to business strategy</th></tr>
<tr><td>STIs (variable: applicable to senior management) (continued)

<i>Drives sound operational efficiency and ESG performance that supports the Group’s ability to improve margins and returns on the asset base. This enables the creation of shareholder value.</i></td><td>The table below provides more detail on the measurement of the STI across the Group:

<table>
<tr><th></th><th>HEBTPS</th><th>EP</th><th>Operational efficiency</th></tr>
<tr><td>CEO, CFO and executives</td><td>Group target</td><td>Group target</td><td>RSA target</td></tr>
<tr><td>Other RSA participants</td><td>Group target</td><td>Group target</td><td>RSA target</td></tr>
<tr><td>African country manager</td><td>Group target</td><td>Group target</td><td>Country target</td></tr>
<tr><td>Other African participants</td><td>Country target</td><td>Country target</td><td>Country target</td></tr>
</table>

Growth | Efficient operations and customer focus | Human capital management</td></tr>
<tr><td>LTIs (variable: applicable to the executive committee and a small percentage of senior management)

<i>Drives longer-term earnings growth and by extension, the creation of shareholder value.</i>

<i>Encourages loyalty, supports the retention of critical skills and aligns the interests of executives with those of shareholders.</i></td><td>The LTI consists of a cash-settled VAR plan designed to attract and retain talent over the long-term, as well as align the interests of employees with that of shareholders. The plan is based on the premise of rewarding growth in enterprise value, based on a headline earnings multiple basis.

Participation in the LTI is restricted to the CEO, CFO, executive committee and a small percentage of the Group’s senior management.

Vesting of awards is subject to performance conditions set out below, with vesting of each award taking place in a single tranche after four years from the date of the award. The cash value will be adjusted for growth in Quantum Foods’ rolling average enterprise value over the four-year period (enterprise value is calculated on a headline earnings (“HE”) multiple basis (four-year rolling HE x 8) at the measurement date). The rationale for using the four-year rolling average enterprise value growth and not the enterprise value growth at the end of the four-year performance period (referencing HE in year four of the performance period), is to evaluate enterprise value delivery through the four-year performance period and not only at the end of the performance period.</td></tr>
</table>

ANNEXURE 6 (CONTINUED)

<table>
<tr><th>Component</th><th>Policy and link to business strategy</th></tr>
<tr>
<td>LTIs (variable: applicable to the executive committee and a small percentage of senior management) (continued)

Drives longer-term earnings growth and by extension, the creation of shareholder value.

Encourages loyalty, supports the retention of critical skills and aligns the interests of executives with those of shareholders. (continued)</td>
<td>Performance condition measured over a four-year performance period:

• Growth in the four-year rolling average Group headline earnings per share (“HEPS”) will be subject to the thresholds below, with linear vesting in-between.

<table>
<tr><td>CAGR in HEPS of higher than CPI plus 1% growth</td><td>20% threshold vesting at this point</td></tr>
<tr><td>CAGR in HEPS of CPI plus 3% growth</td><td>100% full vesting</td></tr>
<tr><td>CAGR in HEPS of CPI plus 8% growth</td><td>150% stretch vesting</td></tr>
</table>

The Remco has the discretion to change the baseline HEPS for an allocation to ensure that the target for the vesting of this component is fair and reasonable to both shareholders and participants. The Board has the discretion to adjust HEPS for material non-recurring items when performance against targets is measured.

More details are set out in the LTI section below.

Unvested awards in terms of the previous SAR scheme

No further awards will be made under the previous SAR scheme. The vesting period for the SAR awards previously made will terminate in February 2028.

Growth
Efficient operations and customer focus
Human capital management</td>
</tr>
</table>

Pay mix

The pay mix for senior executives comprises a combination of TGP and variable pay. A sufficient portion of the pay mix is “at risk” to incentivise executives to meet financial performance targets and realise the Company’s business strategy. The STI portion drives the achievement of earnings which should support earnings growth in the short-term, while the LTI portion incentivises long-term enterprise value growth and alignment with shareholders. At lower levels, the on-target pay mix is weighted towards TGP.

TGP

The TGP and benefits offered by Quantum Foods are summarised in the aforementioned remuneration framework. Several employees fall within collective bargaining units. Therefore, their remuneration is determined outside of the remuneration policy and is subject to the applicable collective bargaining agreement. All South African employees participate in a retirement scheme and a voluntary medical aid scheme.

Annual reviews and TGP increases

Annual reviews of TGP consider inflation, current market conditions, an employee's individual performance against pre-set goals, as well as the performance of the Group.

Increases are limited to an approved budget, and executive increases are considered within the context of average increases for employees throughout the Group. Employees whose individual performance falls below an acceptable standard will not be eligible for an increase. This is determined through the Company's performance management process.

STI

Based on business and individual performance, executives and selected senior managers may participate in the STI. A maximum bonus pool is calculated annually from which the total amount of the STIs that can become payable to participants is paid.

The maximum bonus pool is calculated based on the participant's total cost to company, as well as the maximum earning potential depending on the participant's level. The actual bonus pool for the HEBTPS and EP components is self-funding, meaning that the achievement of targets is calculated after taking the actual bonus pool expense into account. However, the portion of the actual bonus pool that is dependent on the achievement of operational efficiency targets is not dependent on the achievement of HEBTPS or EP targets and is determined separately.

Earnings potential for STI

The table below sets out the earning potential of participants as a % of TGP:

Position	Maximum earnings potential for STI (as a % of TGP)*
CEO	100%
CFO and executives	75%
Senior management	15% or 35%

* *The percentage of TGP that will be earned as STI should stretch performance be achieved for all three elements in the table on page 133 of the 2024 integrated report. Linear vesting from 0% applies for partial achievement of performance measures.*

Senior management with significant responsibilities have a maximum STI earning potential of 35% of TGP, and selected other senior management have a maximum STI earning potential of 15% of TGP should stretch performance targets be achieved.

ANNEXURE 6 (CONTINUED)

2025 STI performance measures

The Remco reviewed the performance measures and will apply the following measures for the achievement of financial and operational targets for the FY2025 STI. The STI is based on three performance measures that apply to all eligible employees, as set out in the table below:

Performance measure	Weighting	On-target performance	Stretch performance
Achievement of the Group's HEBTPS target	50%	124.3* cents per share	144.2* cents per share
Growth in the Group's EP	20%	25% of the three-year rolling average improvement in EP is included in the bonus pool.	
Achievement of operational efficiency targets	30%	Based on breed standards for day-old broiler chick production, targets for the percentage of second-grade eggs sold at the egg packing stations, layer-type hen production efficiency, operating cost management and ESG performance. See further details in the operational targets section below.	

* *Targets for FY2025. At HEBTPS performance of 124.3 cents per share or lower, the bonus will be 0%. At HEBTPS performance of 144.2 cents or higher, the bonus will be 100% with linear vesting for HEBTPS of between 124.3 cents and 144.2 cents. The measurement of HEBTPS is impacted by the actual weighted average number of shares (excluding treasury shares held) in issue.*

These performance conditions are considered to be sufficiently stretching and appropriate for Quantum Foods' business model.

In addition to the above, individual performance targets are determined and evaluated by the employee's manager on a six-monthly basis, and a percentage achievement of at least 65% is required for a satisfactory performance score and participation in any STI payout.

The hurdle rates for HEBTPS, the percentage of growth in EP included in the bonus pool and operational efficiency targets are determined annually by the Remco to establish minimum and maximum potential bonus pay-outs.

HEBTPS and EP targets

To determine the HEBTPS targets for FY2025, the Remco considered the factors set out in Part 1 of the remuneration report included in the 2024 integrated report, which resulted in improved earnings, especially in the second half of FY2024. These factors included progress in recovering from the HPAI outbreaks of FY2023 and Q1 of FY2024 and the anticipation of reduced margins in the egg business as the South African flock recovers, egg supply increases and egg prices reduce. Based on the Group's historical performance, the Remco considers the HEBTPS target set for FY2025 to be sufficiently stretching.

The percentage of 25% of growth in the Group's EP included in a bonus pool calculation and the weighting of 20% for the EP component of the STI in FY2024, will remain the same for FY2025.

Operational targets

The FY2024 targets were for broiler breeder, layer farming and egg packing station efficiencies as well as operating cost management and ESG performance. Targets were set for:

- Broiler breeder efficiency, which was measured as the number of day-old chicks produced per breeder hen placed at the start of the laying cycle.
- Layer farming efficiency, which was aligned with the internationally recognised performance efficiency factor ("PEF") calculation used to measure the production efficiency of broiler-type birds. The measurement incorporates the actual number of eggs produced per hen housed at the start of the laying cycle, the feed conversion ratio achieved during the laying cycle and the liveability achieved during the laying cycle. These three factors are included in a calculation and expressed as a target for the layer productivity index.
- Egg packing station efficiencies, which was measured based on the percentage of second-grade eggs sold.
- Operating cost management, which was measured as actual operating cost in comparison to the approved operating cost budget.
- ESG performance which was measured as improvement on priority areas identified from the independent ESG review performed in FY2023.

For FY2025, the measurements for broiler breeder efficiency, layer farming efficiencies, egg packing station efficiencies, operating cost management and ESG performance were retained but new targets were set.

The FY2024 weighting of one-fifth for each component was retained for FY2025 as well as the 30% weighting of the operational efficiency targets.

Targets are commercially sensitive and therefore not disclosed. The target for ESG performance will be measured against areas of improvement identified from the independent ESG review performed in FY2024. The Remco considers the targets to be sufficiently stretching to ensure that, if achieved, they would optimise Group profitability and improve ESG performance.

The FY2025 weighting and maximum contribution of the operational targets to the total STI will be:

Target	Weighting	Maximum STI contribution
Layer farming efficiency	20%	6%
Egg packing station efficiency	20%	6%
Broiler breeder efficiency	20%	6%
Operating cost management	20%	6%
ESG performance	20%	6%
Total	100%	30%

The Remco considers these measurements as the most important in each of the businesses to increase earnings and realise the Company's business strategy.

ANNEXURE 6 (CONTINUED)

Remco discretion

The Remco has the discretion to review STI payments in the interest of all stakeholders. This decision may be guided by contextual realities that may have impacted the performance of the Group in the year under review and will be justifiably applied in exceptional circumstances.

Malus and clawback

STI payments will either be forfeited, or the after-tax benefit will be clawed back, should STI payments be made during a period of 24 months after the occurrence of a "trigger event".

A trigger event, at the absolute discretion of the Remco, means any event to which the participant contributed and that resulted in:

- A wilful material misstatement of the financial results of the Company and/or any subsidiary
- A material failure in the risk management of the Company and/or any subsidiary
- Fraudulent or dishonest conduct

LTI

Selected employees, including executives, are given the opportunity to participate in the LTI at the sole discretion of the Board.

SAR scheme in terms of which the last allocations were made in February 2023

Shareholders approved the rules of the SAR scheme in compliance with the JSE Listings Requirements. In terms of the SAR scheme, selected senior employees are granted the opportunity to receive shares in the Company. The value of their awards is based on the future increase in value from the strike price at the award date to the share price at the exercise date.

Special dividends declared between the award date and vesting date are added to the share price at the exercise date to determine the value of an award.

The number of shares required to settle SAR allocations is dependent on future factors, including the achievement of HEPS targets and share price movements. The final measurement of the achievement of vesting conditions for SAR allocations made until February 2023 will be in February 2028 and the number of shares required to settle the LTI obligations can only be determined after the 2028 vesting.

VAR plan in terms of which the first allocations were made in FY2024

The Remco implemented the new VAR plan during the reporting period.

This new LTI scheme is a cash-settled VAR plan. In terms of the new LTI plan, the achievement of LTI targets will be 100% based on the achievement of growth in HEPS targets over a rolling four-year period. In the VAR plan an annual award is made to participants and measured over a four-year performance period. Targets for threshold (20% achievement), target (100% achievement) and stretch (150% achievement) are set and any payout adjusted for growth in the four-year rolling average enterprise value of the Company over the same period (enterprise value is calculated on a HE multiple basis (four-year rolling average HE x 8) at the measurement date) with a limit (maximum 3 times TGP) governing maximum payout to any employee.

The VAR plan is intended to promote the continued financial growth of the Group. The Remco determines the allocation to qualifying employees on an annual basis.

Salient terms of the new LTI scheme will be included in the remuneration policy set out in the AGM Notice and presented to shareholders for a vote at the 2025 AGM.

LTI allocation methodology

The VAR plan allocation levels are set out below:

	VAR allocation level (annual award as a % of TGP)
CEO	75%
CFO and other executives	50%
Selected senior management	20%

TGP at the date of award is used to determine the annual allocation of VAR awards to qualifying employees.

Award condition measured at the date of award

The Remco assesses the affordability of VAR awards at the award date with reference to the number of participants included in the VAR plan as well as the overall estimated cost as at the date of award. Awards will be limited to a maximum of 7.5% of EBITDA for the preceding financial year. The Remco has a discretion to adjust the EBITDA for the preceding financial year for material non-recurring items.

Vesting profile, performance period and conditions for vesting

The VAR awards vest in a single tranche on the fourth anniversary of the award date. The performance conditions are measured over a four-year performance period, which are aligned to the respective financial years.

The performance conditions for the 2025 award, with a baseline HEPS of 56.6 cents, are:

100% of award is based on performance. **VARs vest in a single tranche on the fourth anniversary of the award date and will be settled in cash.**	Vesting is based on CAGR in HEPS measured over a rolling four-year period with: 0% vesting below the threshold of CAGR in HEPS of CPI plus 1% 20% vesting at threshold performance of CPI plus 1% 100% vesting at target performance of CPI plus 3% 150% vesting at stretch performance of CPI plus 8% or more

The vesting will be adjusted as set out on page 135 of the 2024 integrated report and with an overall limit of 3 x TGP for any participant.

Settlement

VAR awards will be settled in cash within 30 days of the vesting date.

To ensure that the settlement of vested VAR awards does not impact the Company's liquidity, a free cash flow settlement condition applies. Settlement of VAR awards will, at the discretion of the Remco, be fully or partially deferred, for a maximum period of 24 months, where payment would exceed 20% of the Company's free cash flow for the financial year prior to the vesting date.

ANNEXURE 6 (CONTINUED)

Early termination of employment

For fault leavers as defined in the rules of the VAR plan, any unvested VARs will be forfeited and vested VARs not yet settled will be settled. For no-fault leavers as defined in the rules of the VAR plan, the participant will be entitled to the same rights and subject to the same conditions as they would have been had they remained employed by the Company. However, future vesting for no-fault leavers will be adjusted based on the period in service after the date of award. The Remco has a discretion to early test the achievement of performance conditions for no-fault leavers.

Malus and clawback

LTI benefits will either be forfeited, or the after-tax benefit clawed back, where cash payments have been made during a period of 24 months after the occurrence of a "trigger event". A trigger event, at the absolute discretion of the Remco, means any event to which the participant contributed, and that resulted in:

- A wilful material misstatement of the financial results of the Company and/or any subsidiary
- A material failure in the risk management of the Company and/or any subsidiary
- Fraudulent or dishonest conduct

Executive directors' service agreements

Executive directors' service agreements are prepared with input from the Remco. These service agreements are similar to employment agreements for most other employees, apart from having a notice period of three months versus one month for most other employees. The three-month period applies to executive directors (including the CEO and CFO), as well as all senior managers.

Executive directors' service agreements do not contain restraint of trade provisions – this includes the service agreements for the CEO and CFO. Sign-on awards will only be made in exceptional circumstances to attract extraordinary talent. No such awards have been made to date. Executive contracts do not contain provisions that require the Remco to make severance or balloon payments on termination of employment.

Executives may serve on the boards of other companies as NEDs with the approval of the CEO. This approval will only be given in limited instances that will not impact the execution of executive responsibilities.

Non-executive directors' fees

The Company's policy is that NEDs are paid a quarterly retainer fee. Fees are paid for being a Board member and for each committee on which the Board member serves. No fees are paid to members of the Nomcom which meets as and when required. Payment of fees for members of the Investco will be proposed to shareholders at the 2025 AGM in recognition of the workload of this committee.

The Fees reflect the NEDs' assigned responsibilities. The fees are evaluated annually and periodically benchmarked against comparable companies. The benchmarking report published by the Institute of Directors in South Africa (2024) was used with specific reference to the median fees paid to NEDs of small market capitalisation companies (market capitalisation of less than R1 billion) in determining fees to be proposed to shareholders at the 2025 AGM. The Remco is satisfied that the benchmarking is appropriate in the context of Quantum Foods and its business. NEDs are paid an all-inclusive retainer fee and are not paid per meeting. NEDs do not receive supplementary fees for an increased workload or *ad hoc* meeting attendance; however, NEDs are reimbursed for any related disbursements.

The table below sets out the fees approved by shareholders at the 2023 AGM. The Company will propose that these fees be increased as set out in the table below at the forthcoming AGM.

	Approved Fees from 1 April 2023 (exclusive of VAT)	**Fees to be proposed at 2025 AGM from 1 April 2025 (exclusive of VAT)**
Chairman of the Board	414 615	510 750
Lead Independent director ("LID")	355 745	396 000
Board member (other than Chairman and LID)	294 870	328 000
Committee Chairman ARC	101 630	134 600
Committee Chairman SETC	71 140	98 100
Committee Chairman Remco	71 140	79 200
Committee Chairman Investco	Nil	79 200
Committee member ARC	92 155	102 600
Committee member SETC	65 820	73 250
Committee member Remco	65 820	73 250
Committee member Investco	Nil	73 250

PART 3: IMPLEMENTATION OF THE REMUNERATION POLICY IN FY2024

TGP

The Remco approved a salary increase mandate of 6.5% (FY2023: 6.0%) of total cost to company for non-sectoral employees and executives, and a 6.0% (FY2023: 6.5%) basic pay increase for sectoral employees.

STI outcomes

The stretch targets for HEBTPS and operational efficiency set for STI participants measured on Group and South African performance were achieved in FY2024, as set out in Part 1 of the remuneration report commencing on page 121 of the 2024 integrated report. Financial performance improved sufficiently to achieve the EP threshold target but did not exceed the stretch target. R26.7 million of the STI bonus pool cap of R30.5 million accrued to these participants.

For STI participants measured against the Group's other African countries' performance, R0.5 million of the R1.3 million STI bonus pool cap accrued.

No STI payments were reduced or forfeited due to malus and claw back provisions in FY2024.

The Remco did not exercise its discretion to adjust STI outcomes in FY2024.

The table below sets out the STI performance outcomes of participants measured on Group targets and South African operational efficiency for FY2024:

	Weighting %	**Target performance**	**Stretch performance**	**Actual performance**	**Actual achievement (% of measure)**	**STI outcome* R'000**
Group HEBTPS	**50**	**50.0 cents**	**60.0 cents**	**118.3 cents**	**100.0**	**15 539**
Group EP	**20**			**Three-year rolling average improved by R9.7 million**	**38.0**	**2 362**
South Africa operational efficiency	**30**			**See below**	**100.0**	**8 780**
Total	**100**	**0%**	**100%**		**87.6**	**26 681**

* *STI outcome includes the effect of African country managers measured on other African countries' performance for operational efficiency but Group performance for HEBTPS and EP.*

The table below sets out further details on the achievement of operational efficiency targets:

Performance measures	**Weighting**	**Actual achievement** **(%)**
Broiler breeder productivity	**20%**	**100.0**
Layer hen productivity	**20%**	**100.0**
Egg packing station efficiency	**20%**	**100.0**
Operating cost management	**20%**	**100.0**
ESG performance	**20%**	**100.0**
Weighted average achievement	**100%**	**100.0**

Different targets are set for each of the other African countries and the table below provides a summary of the STI outcome of FY2024. The financial and operational performance of the other Africa business is reflected in the STI outcomes below.

Performance measures	**Weighting %**	**Actual achievement %***	**STI outcome* R'000**
HEBTPS	**50**	**42.3**	**169**
EP	**25**	**42.3**	**67**
Operational efficiency	**25**	**36.7**	**287**
Total	**100**	**39.0**	**523**

* *STI outcome excludes the effect of African country managers measured on other African countries' performance for operational efficiency but Group performance for HEBTPS and EP.*

The table below sets out the STIs of executive directors in FY2024, based on the achievement of performance targets:

Participant	**Maximum STI earning potential (as % of TGP)**	**Achievement of performance conditions %**	**Actual STI (as % of TGP)**	**2024 STI amount included in single figure table R'000**
AD van der Merwe	**100**	**87.6**	**87.6**	**3 679**
AH Muller	**75**	**87.6**	**65.7**	**2 365**

ANNEXURE 6 (CONTINUED)

LTI outcomes

The vesting period for the SAR awards made in terms of the previous LTI scheme will terminate in February 2028. The table below sets out how the previous SAR scheme will phase out and the new VAR plan will phase in, in the determination of the payment of any LTI benefits to participants.

	FY2025	FY2026	FY2027	FY2028	FY2029
2020 SAR allocation	3rd vesting				
2021 SAR allocation	2nd vesting	3rd vesting			
2022 SAR allocation	1st vesting	2nd vesting	3rd vesting		
2023 SAR allocation		1st vesting	2nd vesting	3rd vesting	
2024 VAR allocation				Vesting	
2025 VAR allocation					Vesting

The tables below set out the achievement of the performance conditions applicable to the SAR awards that will vest in 2025.

No LTI benefits were reduced or forfeited due to malus and claw back provisions in FY2024.

2022 award	**Threshold**	**Stretch**	**Actual**
Performance measures = Compound annual growth in adjusted HEPS	CPI plus 1% growth	CPI plus 5% growth	**CPI plus 9.93% growth**
2022 SAR allocation*	63.2 cents	70.5 cents	**Profit of 80.4 cents****
Vesting (%)	0%	100%	**100%**

* *2022 adjusted HEPS was 52.20 cents per share and is equal to the actual 2021 HEPS.*
** *2024 HEPS*

Vesting date	21 February 2025
Performance period	1 October 2021 to 30 September 2024
Employment period	21 February 2022 to 21 February 2025

2021 award	**Threshold**	**Stretch**	**Actual**
Performance measures = Compound annual growth in adjusted HEPS	CPI plus 1% growth	CPI plus 5% growth	**Decrease in HEPS**
2021 SAR allocation*	103.3 cents	119.7 cents	**Profit of 80.4 cents****
Vesting (%)	0%	100%	0%

* *2021 adjusted HEPS was 80.50 cents per share and is equal to the actual 2020 HEPS.*
** *2024 HEPS*

Vesting date	15 February 2025
Performance period	1 October 2020 to 30 September 2024
Employment period	15 February 2021 to 15 February 2025

2020 award	Threshold	Stretch	Actual
Performance measures = Compound annual growth in adjusted HEPS	CPI plus 1% growth	CPI plus 5% growth	**Decrease in HEPS**
2020 SAR allocation*	123.1 cents	148.1 cents	**Profit of 80.4 cents****
Vesting (%)	0%	100%	**0%**

* *2020 adjusted HEPS was 92.30 cents per share and is equal to the actual 2019 HEPS.*

** *2024 HEPS*

Vesting date	17 February 2025
Performance period	1 October 2019 to 30 September 2024
Employment period	17 February 2020 to 17 February 2025

LTI awards during FY2024

The VAR Plan allocations awarded during the year are set out in the table below. Vesting of these allocations and adjustment of vested amounts for changes in the enterprise value over the four-year performance period will be measured in 2028. No LTI benefits, in terms of the new VAR plan, accrued to participants in FY2024.

	2024 Award R'000	**Threshold (20% vesting)**	**Target (100% vesting)**	**Stretch (150% vesting)**	**Fair value of award at year end** R'000**
HA Lourens (Retired as CEO on 31 March 2024)	222	Average 4-year HEPS = CAGR Growth of CPI + 1% from Baseline*	Average 4-year HEPS = CAGR Growth of CPI + 3% from Baseline*	Average 4-year HEPS = CAGR Growth of CPI + 8% from Baseline*	253
AD van der Merwe (Appointed as CEO on 1 April 2024)	3 119				3 545
AH Muller	1 782				2 025
Baseline HEPS	54.5 cents				
Performance period		FY2024 – FY2027			
Baseline enterprise value	R858.6 million				
Vesting date	19 Feb 2028				
Adjustment for change in enterprise value		(Average HE for the Performance Period x 8)/ Baseline Enterprise value = Adjustment factor			
VAR settlement		Award x vesting % x Adjustment factor (limited to 3 times total guaranteed pay)			

* *Linear interpolation applies between the levels.*

** *The fair value at year end is determined as award value x estimate of achievement of performance targets (vesting %) x adjustment for change in enterprise value that would result (adjustment factor).*

ANNEXURE 6 (CONTINUED)

The Remco exercised its discretion and determined the baseline HEPS for the FY2024 allocation as 54.5 cents per share. This is higher than the average actual HEPS of 52.1 cents per share recorded for the four financial years that ended 30 September 2023. In terms of the allocation limit, the Remco also exercised its discretion to increase reported EBITDA for FY2023 by R155.3 million (being the value of biological assets destroyed during the FY2023 due to HPAI infection) in determining the value of awards to participants.

Unvested LTI awards

The table below discloses the number of each executive director's LTI awards as at 30 September 2024, whether allocated, settled, or forfeited, as well as the value of SARs exercised during the year and an indicative value of SARs not yet settled. LTI awards forfeited due to performance conditions not being achieved for the performance period that ended 30 September 2024 are included in the table as forfeited. The indicative value of the closing number of SARs was calculated based on the number of SARs at the Company's volume-weighted average share price for the three days ended 30 September 2024 (of R14.05 per share), less the grant price of the particular SARs awarded.

Executive director LTIs in 2024 in terms of previous SAR awards:

Award date	Note	Opening number	Award/ strike price Cents	Forfeited during the year*	Vested during the year	Number exercised during the year	Exercise price Cents	Cash value of instruments exercised R'000	Closing number	Indicative value R'000
AD van der Merwe (appointed 1 April 2024)										
2019/02/11	1	78 437	425	–	78 437	78 437	739	246	–	–
2020/02/17	2	196 938	357	65 646	65 646	65 646	729	244	65 646	688
2021/02/15	3	242 090	609	48 418	48 418	48 418	729	58	145 254	1 157
2022/02/21	4	464 044	539	–	–	–	–	–	464 044	4 019
2023/02/23	5	515 928	474	–	–	–	–	–	515 928	4 803
								548		
AH Muller										
2019/02/11	1	82 879	425	–	82 879	82 879	739	260	–	–
2020/02/17	2	216 771	357	72 257	72 257	72 257	729	269	72 257	758
2021/02/15	3	255 904	609	51 180	51 180	51 180	729	61	153 544	1 223
2022/02/21	4	514 604	539	–	–	–	–	–	514 604	4 456
2023/02/23	5	544 220	474	–	–	–	–	–	544 220	5 067
								590		

* *Include SARs for which performance conditions were not achieved.*

Note 1: Vested in three equal tranches on 11/02/2022, 11/02/2023 and 11/02/2024. Awards must be exercised within 12 months of vesting.

Note 2: Vesting in three equal tranches on 17/02/2023, 17/02/2024 and 17/02/2025. Awards must be exercised within 12 months of vesting.

Note 3: Vesting in three equal tranches on 15/02/2024, 15/02/2025 and 15/02/2026. Awards must be exercised within 12 months of vesting.

Note 4: Vesting in three equal tranches on 21/02/2025, 21/02/2026 and 21/02/2027. Awards must be exercised within 12 months of vesting.

Note 5: Vesting in three equal tranches on 23/02/2026, 23/02/2027 and 23/02/2028. Awards must be exercised within 12 months of vesting.

Remuneration outcomes for 2024

The table below sets out the single-figure remuneration (i.e., TGP (basic salary and benefits), STI and LTI) received by executive directors and prescribed officers in FY2024 and FY2023, respectively:

30 September 2024	**Basic salary R'000**	**Benefits**	**STI** R'000**	**LTI*** R'000**	**Directors' fees R'000**	**Total R'000**
HA Lourens^	**3 011**	**341**	**–**	**2 106**	**–**	**5 458**
AD van der Merwe#	**1 700**	**258**	**3 679**	**–**	**–**	**5 637**
AH Muller	**2 968**	**409**	**2 365**	**590**	**–**	**6 332**
Total	**7 679**	**1 008**	**6 044**	**2 696**	**–**	**17 427**

30 September 2023	Basic salary R'000	Benefits	STI R'000	LTI R'000	Directors' fees R'000	Total R'000
HA Lourens	3 940	488	694	1 113	–	6 235
AH Muller	2 573	620*	345	321	–	3 859
Total	6 513	1 108	1 039	1 434	–	10 094

^ *Resigned as executive director on 31 May 2024.*

** *STIs are included on the basis of what was earned for the financial year. STIs earned for the financial year are paid in the first quarter of the next financial year.*

*** *LTIs are included on the basis of amounts that resulted from the exercise of vested SARs in the financial year.*

Appointed as CEO on 1 April 2024. 2024 LTI remuneration of R548 000 was paid prior to being appointed as a director.

* *Includes R249 000 paid on reaching 20 years of service.*

NED fees

The table below sets out the fees paid to NEDs:

Name	**FY2024 R'000**	FY2023 R'000
WA Hanekom	**546**	532
GG Fortuin	**529**	515
TJA Golden*	**302**	441
LW Riddle	**453**	441
PFT Burger#	**78**	–
G Vaughan-Smith	**366**	356
Total	**2 274**	2 285

* *Resigned on 31 May 2024.*

Appointed on 29 July 2024.

Approval

The Remco is satisfied that there were no material deviations from the remuneration policy during 2024. This remuneration report was approved by the Remco on 21 November 2024.

ANNEXURE 7

Unless otherwise defined herein, capitalised terms shall bear the meanings ascribed thereto in the notice of annual general meeting to which this document is annexed as Annexure 7.

Going concern statement

The audit and risk committee ("the Committee") has considered and reviewed a documented assessment, including key assumptions, as prepared by management of the going concern status of the Company and has made recommendations to the Board in accordance therewith. The Board's statement regarding the going concern status of the Company, as supported by the Committee, is included in the directors' responsibility report in Annexure 8.

ANNEXURE 8

Unless otherwise defined herein, capitalised terms shall bear the meanings ascribed thereto in the notice of annual general meeting to which this document is annexed as Annexure 8.

Directors' responsibility

In accordance with the requirements of the Companies Act, the Board is responsible for the preparation of the summary consolidated financial statements of Quantum Foods. The audited annual financial statements of the Group for the year ended 30 September 2024, from which the summary consolidated financial statements have been derived, were prepared in accordance with the requirements of the Companies Act.

It is the responsibility of the independent external auditors to report on the fair presentation of the financial statements.

The Board is ultimately responsible for the internal control processes of Quantum Foods. Standards and systems of internal control are designed and implemented by management to provide reasonable assurance as to the integrity and reliability of financial records and of the financial statements and to adequately safeguard, verify and maintain accountability for the Group's assets. Appropriate accounting policies, supported by reasonable and prudent judgements and estimates are applied on a consistent and going concern basis. Systems and controls include the proper delegation of responsibilities, effective accounting procedures and adequate segregation of duties.

Based on the information and reasons given by management and the internal auditors, the Board is of the opinion that the accounting controls are sufficient and that the financial records may be relied upon for preparing the financial statements and maintaining accountability for the Group's assets and liabilities.

The directors confirm that the Company is in compliance with the provisions of the Companies Act, specifically relating to its incorporation and operates in compliance with its Memorandum of Incorporation. Nothing has come to the attention of the directors to indicate that any breakdown in the functioning of these controls, resulting in material loss, has occurred during the financial year and up to the date of this report. The Board has a reasonable expectation, that the Group and its subsidiaries have adequate resources to continue in operational existence for the foreseeable future and continue adopting the going concern basis in preparing the financial statements.

The summary consolidated financial statements of the Group were approved by the Board on 26 November 2024 and are signed on its behalf by:

WA Hanekom
Chairman

AD van der Merwe
Chief Executive Officer

ANNEXURE 9[1]

Social, ethics and transformation committee ("SETC") report

In terms of regulation 43(5)(a) of the Companies Regulations, the SETC has oversight of five main focus areas. These areas include:

1. Social and economic development
2. Good corporate citizenship
3. Environment, health and public safety
4. Consumer relationships
5. Labour and employment

The SETC monitors the sustainable development and non-financial performance of the Group relating to:

- Performance against the Group's environmental, social and governance standards
- Stakeholder management, engagement and reporting
- Health and public safety, including occupational health and safety and the quality of the Group's products and services
- B-BBEE
- Diversity management
- Labour relations and working conditions
- Human capital management, including training and skills development
- Management and monitoring of the Group's environmental impact
- Ethics management
- Corporate social investment
- Climate risks and opportunities

Focusing on the aforementioned ensures that the SETC has the knowledge and insight necessary to monitor Quantum Foods' role as a responsible corporate citizen. In addition, it ensures that the SETC is able to measure this commitment and, if necessary, assist the Board in implementing appropriate steps and procedures to enhance Quantum Foods' non-financial performance.

It is important that Quantum Foods operates in a manner that is profitable and sustainable. In support, the Company implements measures that prioritise the conservation of water, appropriate waste management and clean energy, not only to meet the expectations of stakeholders but also to ensure long-term sustainability.

The Company endorses the UN SDGs as a worldwide appeal to take action to create a better and more sustainable future for people and the planet. The SETC monitored the Company's contribution to the selected UN SDGs. More details can be found in the responsible business chapter from page 74 of the 2024 integrated report.

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[1] *This report was issued before the commencement date of certain provisions of the Companies Amendment Act, No. 16 of 2024 and the commencement date of the Companies Second Amendment Act, No. 17 of 2024, was published in the Government Gazette on 27 December 2024.*

Below are the key areas of focus during the reporting period:

Topic	Progress and actions arising
B-BBEE scorecard and targets	The SETC considered the corporate targets for the B-BBEE scorecard in South Africa for the financial year and received updates on tracking against the scorecard. More detail is available on page 87 of the 2024 integrated report.
Sponsorships and charitable donations	The SETC monitored the various product donations and continues to monitor the Group's social responsibility initiatives. These are detailed on page 78 of the 2024 integrated report.
Water, energy and waste disposal management	The SETC monitors water, energy and waste management and a report containing usage details is reviewed biannually. The aim is to reduce wastage of the usage elements across the Group's operations by monitoring performance year on year. Read more on pages 90 to 91 of the 2024 integrated report. A specific area of focus is projects to supplement electricity produced from non-renewable sources with solar technology. Read more on page 96 of the 2024 integrated report.
Occupational health and safety compliance	The SETC noted progress in obtaining occupational certificates for various business premises. This is an ongoing expense, with the pace of progress being impacted by third parties. In FY2024, R0.7 million (FY2023: R0.1 million) of capital was spent to ensure progress on compliance. The Company made a concerted effort to reduce injuries by promoting greater awareness of safety procedures to staff and scoring well on safety audits at its operational sites. In 2024, the Company's extensive health and safety procedures continued to function effectively, thereby ensuring the safety of its employees and assets. Read more on page 23 of the 2024 integrated report about the tragic explosion at the Malmesbury feed mill claiming one life and resulting in serious injuries to two men.
Customer complaints and food safety	The SETC monitored customer complaints and food safety and is satisfied that such matters were monitored and dealt with adequately during the year. Read more about food safety on page 93 of the 2024 integrated report.
Employment equity and training	The SETC monitored employment equity and training. Read more on page 82 of the 2024 integrated report
Human capital	The SETC monitored organisational development initiatives, workforce design and planning. Read more on page 83 of the 2024 integrated report.

ANNEXURE 9 (CONTINUED)

Topic	Progress and actions arising
Animal welfare	The SETC monitored engagements with the NSPCA and other stakeholders to ensure that animal welfare remains a priority. Read more on page 94 of the 2024 integrated report.
ESG compliance	The SETC received findings and monitored management actions from external ESG reviews against standards, including the International Finance Corporation Performance Standards. Read more on page 76 of the 2024 integrated report.
Climate change	The SETC reviewed the outcome of climate risk evaluation for selected sites in the Western Cape. Read more on page 99 of the 2024 integrated report.
Companies Amendment Acts	The SETC noted the two Companies Act Amendment Bills which were assented to by the President on 26 July 2024. The Companies Amendment Act, No. 16 of 2024 and the Companies Second Amendment Act, No. 17 of 2024 ("Companies Amendment Acts"), once effective, will result in, *inter alia*, a requirement for the election or re-election of SETC members by shareholders of the Company at annual general meetings and the presentation of the SETC report at each annual general meeting. The SETC noted that an effective date for the new Acts has not yet been gazetted.
Ethics management	The SETC monitors ethics management and adherence to the Group's code of conduct, which is reviewed annually. Local anonymous tip-off lines are available to stakeholders in Quantum Foods' operating jurisdictions (South Africa, Mozambique, Uganda and Zambia). Read more on the Group's measures to ensure proper ethics management in the King IV register available on the Company's website.

The SETC evaluated and approved the non-financial information contained in this report.

In accordance with Principle 8, Recommended Practice 50(f) of King IV, the SETC is satisfied that it has fulfilled its responsibilities in accordance with its charter, its statutory responsibilities and workplan for the reporting period.

The SETC has determined the following to be its primary focal areas for FY2025. This will be supported by ongoing monitoring of the various topics that comprise the SETC's mandate.

Topic	Progress and actions arising
B-BBEE scorecard and targets	The SETC will supervise the Group's action plan to enhance its B-BBEE score. The Group will continue to invest in its current business operations that promote transformation and empowerment.
Improved ESG performance	The SETC will oversee the further progress made in improving ESG performance.
Climate risks, opportunities and reporting	The SETC will oversee the further evaluation of climate risks, opportunities and reporting.
The effective date for the Companies Amendment Acts	The SETC will monitor legislative developments and respond appropriately.
Stakeholder engagement	The SETC will continue to monitor the Company's stakeholder engagement strategy and the outcomes of stakeholder engagements.

GV Smith

Mr G Vaughan-Smith
Chairman

Wellington
21 November 2024

ANNEXURE 10

Unless otherwise defined herein, capitalised terms shall bear the meanings ascribed thereto in the notice of annual general meeting to which this document is annexed as Annexure 10.

	2024 **R'000**	2023 R'000
Share capital		
Authorised – ordinary shares		
400 000 000 (2023: 400 000 000) ordinary no par value shares		
Issued and fully paid – ordinary shares		
201 198 152 (2023: 200 024 716) ordinary no par value shares	**1 473 619**	1 465 069
Reconciliation of movement in issued shares		
Opening balance	**1 465 069**	1 465 069
Additional shares capital raised: 1 173 436 issued at a price of R7.29 per share (2023: nil)	**8 550**	–
	1 473 619	1 465 069
Shares issued by the Company under the Quantum Foods Holdings Limited Equity Settled Phantom Share Plan to certain participants who exercised Phantom Share Rights.		
Treasury shares held by subsidiary		
At the beginning of the year: 91 855 (2023: 414 158) ordinary shares	**429**	1 390
1 173 436 (2023: 500 000) ordinary shares acquired during the year at an average price of R7.29 per share (2023: R4.67 per share)	**8 550**	2336
Issued to management in terms of share appreciation rights scheme: 1 173 436 (2023: 822 303) ordinary shares	**(8 550)**	(3 297)
At the end of the year: 91 855 (2023: 91 855) ordinary shares	**429**	429

Ordinary shares entitle the holder to participate in dividends, and to share in the proceeds of winding up of the Company in proportion to the number of shares held.

ANNEXURE 11

Audit and risk committee report

The audit and risk committee ("ARC" or "the committee") is constituted in terms of a charter which outlines the statutory duties in terms of the relevant provisions of the Companies Act, the JSE Ltd Listings Requirements ("JSE Listings Requirements") and responsibilities highlighted in the King IV Report on Corporate Governance™ for South Africa, 2016[1] ("King IV").

Audit and risk committee charter

The committee is guided by formal terms of reference. An annual work plan serves as a guideline for the committee in the execution of its mandate. Both the charter and work plan are reviewed annually and amended as necessary.

The committee's role and responsibilities outlined in the charter include both the statutory duties and responsibilities as required by the relevant provisions of the Companies Act, JSE Listings Requirements as well as those highlighted in King IV.

Members of the audit and risk committee

As at 30 September 2024, the committee comprised three independent non-executive directors, namely Mr GG Fortuin, Mr LW Riddle and Mr PFT Burger.

These members will retire and avail themselves for election at the 11th annual general meeting ("AGM") of the Company in terms of section 94(2) of the Companies Act. All members are required to act objectively and independently, as described in the Companies Act and in King IV.

The chairman of the Board, chief executive officer and the chief financial officer are permanent invitees to committee meetings and every other member of the Board is entitled to attend unless conflicted. In addition, relevant senior managers and external service providers are invited to attend meetings from time to time. The company secretary is the statutory secretary of the committee. The internal and external auditors attend the relevant meetings of the committee.

Meetings

The committee held three meetings during the year. Attendance of the meetings was as follows:

Name	Status	Number of meetings
GG Fortuin	Committee chairman	3/3
LW Riddle	Member	3/3
PFT Burger*	Member	1/3
TJA Golden**	Member	2/3

* *Appointed 29 July 2024*

** *Resigned 31 May 2024*

WA Hanekom and AH Muller attended all three ARC meetings as invitees. AD van der Merwe attended 2 of the 3 meetings as invitee, since being appointed chief executive officer (appointed 1 April 2024). HA Lourens (resigned 31 May 2024) attended 1 of the 3 meetings as invitee.

The internal and external auditors attended the committee meetings in their capacity as assurance providers.

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[1] *Copyright and trademarks are owned by the Institute of Directors in South Africa NPC and all of its rights are reserved.*

Functions and responsibilities of the committee

During the period under review, the committee was able to discharge the following functions outlined in its charter and ascribed to it in terms of the Companies Act, JSE Listings Requirements and King IV:

- Reviewed the interim and summary results as well as the annual financial statements, culminating in a recommendation to the Board for approval. In the course of its review, the committee:
  - Reviewed the adequacy and effectiveness of the financial reporting process and the systems of internal control.
  - Ensured that appropriate financial reporting procedures exist and that those procedures are operating, which included consideration of all entities included in the consolidated annual financial statements, to ensure that it had access to all the financial information of the Company to allow the Company to effectively prepare and report on the financial statements of the Group.
  - Considered and, when appropriate, made recommendations on internal financial controls.
  - Took the necessary steps to ensure that the financial statements are prepared in accordance with IFRS Accounting Standards and the requirements of the Companies Act.
  - Ensured that a process is in place to be informed of any reportable irregularities (as per the Auditing Profession Act, No. 26 of 2005) identified and reported by the external auditor; and relating to the accounting practices and internal audit of the Group, the content of the financial statements, the internal financial controls of the Group or any related matter during the financial year. No such material concerns and/or complaints were raised during the financial year.
  - Considered the solvency and liquidity requirement of the Companies Act in recommending proposed dividends to the Board.
- Reviewed the external audit reports on the consolidated annual financial statements.
- Reviewed the reports issued by the JSE on the proactive monitoring of financial statements.
- Oversaw the integrated reporting process. The committee considered the Group's information pertaining to its non-financial performance as disclosed in the integrated report and has assessed its consistency with operational and other information known to committee members, and for consistency with the annual financial statements.
- Reviewed and confirmed that no non-audit services were provided by the external auditor requiring pre-approval. In terms of the non-audit services policy of the Group, any permissible non-audit services to be performed, which in the aggregate exceed R500 000 per financial year, must be approved by the committee.
- Reviewed and confirmed the suitability and independence of Ernst & Young Inc. ("EY") as the audit firm and PG du Plessis as the designated auditor of the Group as contemplated in paragraph 3.84(g)(iii) read with paragraphs 3.86 and 3.87 of the JSE Listings Requirements.
- Recommended the re-appointment of EY as the external auditor and PG du Plessis as the designated auditor, after satisfying itself through enquiry that EY is independent as defined in section 94(8) of the Companies Act. The financial year ending 30 September 2025 will be PG du Plessis' second year as designated auditor of the Company. The re-appointment of EY as the recommended external auditor (with PG du Plessis as the designated auditor) will be presented and included as a resolution at the AGM.
- Approved the external auditor's fees and terms of engagement.
- Confirmed and approved the internal audit charter and annual risk-based internal audit plan.
- Reviewed the internal audit risk reports and fraud hotline reports.

- Reviewed and approved the risk management policy and plan.
- Reviewed business continuity capability, disaster management plans and insurance cover.
- Provided oversight over the IT governance of the Group.
- Provided oversight over the combined assurance arrangements, including the external and internal auditors and satisfied itself of the effectiveness of the combined assurance model implemented by the Group.
- Reviewed the effectiveness of the internal audit function and the head of internal audit.

The committee is satisfied that sufficient time was dedicated to risk management and that it discharged its responsibilities as set out in the charter and work plan for the period under review.

The committee is satisfied with the assurance of the internal and external auditors, provided on the effectiveness of the design and implementation of internal financial controls. No findings have been reported to the ARC to indicate that any material breakdown in internal controls occurred during the past financial year.

Internal audit

The internal audit function is a key element of the combined assurance structure. The Group outsourced its internal audit function to Deloitte & Touche. The committee was satisfied that the internal audit function fulfilled its roles and responsibilities, as outlined in the charter.

Chief financial officer and finance function

The committee considered and satisfied itself in terms of paragraph 3.84(g)(i) of the JSE Listings Requirements with the appropriateness of the expertise and experience of AH Muller as chief financial officer.

In addition, the committee considered and has satisfied itself with the appropriateness of the expertise and adequacy of resources of the finance function and experience of senior members of management responsible for the finance function.

The committee has ensured that the Group has established appropriate financial reporting procedures and that those procedures are operating satisfactorily. These annual financial statements have been prepared under the supervision of AH Muller, CA(SA), chief financial officer.

Significant audit matters and quality of external audit

The committee considered and resolved that the key audit matter reported on by the external auditor is the only significant matter required for consideration of the annual financial statements. The committee is satisfied that the key audit matter reported on by the external auditor has been appropriately addressed. The committee was satisfied with the quality of the external audit.

Going concern

The committee has considered and reviewed a documented assessment, including key assumptions, as prepared by management of the going concern status of the Group and Company and has made recommendations to the Board accordingly. The Board's statement regarding the going concern status of the Group and Company, as supported by the committee, is included in the directors' responsibility statement in annexure 8.

GG Fortuin
Chairman: audit and risk committee

Wellington
26 November 2024

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CORPORATE INFORMATION

Quantum Foods Holdings Limited

Incorporated in the Republic of South Africa
Registration number: 2013/208598/06
Share code: QFH ISIN code: ZAE000193686

Directors

WA Hanekom (chairman)
GG Fortuin (lead independent director)
PFT Burger (Appointed 29 July 2024)
LW Riddle
G Vaughan-Smith
AD Van der Merwe (chief executive officer)*
(Appointed 1 April 2024)
AH Muller (chief financial officer)*

* *Executive*

Company secretary

ZP Wakashe
Email: Ziyanda.Wakashe@quantumfoods.co.za

Company details

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Transfer secretaries

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South Africa
Tel: 011 370 5000
Fax: 011 688 5209

Sponsor

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Auditor

Ernst & Young Inc.

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18436

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FOODS