

York Timber Holdings Limited

(Registration Number 1916/004890/06)

**Audited Consolidated and Separate Annual Financial Statements
for the year ended 30 June 2025**

Audited Financial Statements

in compliance with the Companies Act 71 of 2008 of South Africa as amended

York Timber Holdings Limited

(Registration Number 1916/004890/06)

Audited Consolidated and Separate Annual Financial Statements for the year ended 30 June 2025

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York Timber Holdings Limited

(Registration Number 1916/004890/06)

Audited Consolidated and Separate Annual Financial Statements for the year ended 30 June 2025

Directors' Responsibilities and Approval

The directors are required by the Companies Act 71 of 2008 of South Africa as amended to maintain adequate accounting records and are responsible for the content and integrity of the audited consolidated and separate annual financial statements and related financial information included in this report. These audited consolidated and separate annual financial statements have been prepared in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board (IASB®) and it is their responsibility to ensure that the audited consolidated and separate annual financial statements satisfy the financial reporting standards with regards to form and content and present fairly the consolidated and separate statement of financial position, changes in equity, results of operations and cash flows of the Group and Company, and explain the transactions and financial position of the business of the Group and Company at the end of the financial year. The audited consolidated and separate annual financial statements are based upon appropriate accounting policies consistently applied throughout the Group and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the directors set standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the Group and all employees are required to maintain the highest ethical standards in ensuring the Group's business is conducted in a manner that in all reasonable circumstances is above reproach.

The focus of risk management in the Group is on identifying, assessing, managing and monitoring all known forms of risk across the Group. While operating risk cannot be fully eliminated, the Group endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied upon for the preparation of the audited consolidated and separate annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss. The going-concern basis has been adopted in preparing the audited consolidated and separate financial statements. Based on forecasts and available cash resources the directors have no reason to believe that the Group will not be a going concern in the foreseeable future.

The audited consolidated and separate financial statements have been audited by the independent auditing firm, Deloitte & Touche, which has been given unrestricted access to all financial records and related data, including minutes of all meetings of the shareholders, the directors and committees of the directors. The directors believe that all representations made to the independent auditor during the audit were valid and appropriate. The external auditor's unqualified audit report is presented on pages 13 to 16.

The audited consolidated and separate financial statements are set out on pages 17 to 92 which have been prepared on the going concern basis and, were approved by the directors and signed on 26 September 2025 on their behalf by:

Signed by:
Nonzukiso Siyotula
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N Siyotula
 Chairperson

Signed by:
Gabriel Conrad Daniel Stoltz
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GCD Stoltz
 Chief Executive Officer

York Timber Holdings Limited

(Registration Number 1916/004890/06)

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Certificate by the Company Secretary

In terms of section 88(2)(e) of the Companies Act 71 of 2008 of South Africa as amended, I certify that to the best of my knowledge and belief, York Timber Holdings Limited and its subsidiaries have lodged all returns required in terms of the Companies Act 71 of 2008 of South Africa as amended, with the Registrar of Companies for the financial year ended 30 June 2025 and that the returns are true, correct and up to date.

Kilgetty Statutory Services (SA)
Kilgetty Statutory Services (South Africa) Proprietary Limited

Company Secretary

26 September 2025

York Timber Holdings Limited

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Report of the Audit Committee

We are pleased to present our report for the financial year ended 30 June 2025.

1. Audit committee terms of reference

The Group's Audit Committee has adopted formal terms of reference, delegated to it by the Board of Directors (Board), as its mandate. The mandate is in line with the Companies Act 71 of 2008 of South Africa, as amended (Companies Act), the King IV™ Report on Corporate Governance for South Africa, 2016 (King IV™) and the JSE Limited Listings Requirements (JSE Listings Requirements). During the year, the Audit Committee discharged the functions delegated to it in its mandate.

The Audit Committee performed the following statutory and regulatory duties:

- Reviewed and recommended for adoption by the Board the publicly disclosed financial information which comprised the Group's consolidated interim results for the six months ended 31 December 2024 and the audited consolidated and separate annual financial statements for the year ended 30 June 2025;
- Satisfied itself that the external auditor, Deloitte & Touche, and its audit partner, complied with the suitability criteria for appointment as required by paragraph 3.84(g)(iii) read with paragraphs 3.86 and 3.87 of the JSE Listings Requirements, and is independent and assessed the quality of the audit;
- Approved the external auditor's fees and terms of engagement for the 2025 financial year;
- Determined the nature and extent of non-audit services (agreed upon procedures) provided by the external auditor and pre-approved any proposed agreements with them for the provision of such services;
- Evaluated the performance of the internal audit function and resolved to continue to source the internal audit function from BDO and approved the internal audit plan and budgeted fee for the 2025 financial year;
- Reviewed the Audit Committee charter in line with King IV™ recommendations;
- Held separate meetings with management and the external and internal auditors to discuss relevant matters;
- Noted that it had not received any substantiated complaints, from either within or outside the Group and Company, relating to the accounting practices, the internal audits, the content or auditing of the audited consolidated and separate annual financial statements, the internal financial controls or any other related matters. It has however adopted certain recommendations proposed by the JSE Limited as part of its proactive monitoring of financial statements;
- Confirmed that a whistle-blowing facility was in place and considered the actions taken in regard to incident reports;
- Evaluated and satisfied itself as to the appropriateness of the expertise and experience of the Chief Financial Officer, as required by paragraph 3.84(g)(i) of the JSE Listings Requirements;
- Satisfied itself as to the expertise, resources and experience of the Group and Company's finance function;
- Considered the Group and Company's liquidity and solvency positions and satisfied itself that the adoption of the going concern basis by York Timber Holdings Limited in preparing the audited consolidated and separate annual financial statements was appropriate;
- Confirmed, with reference to reporting by management and the internal audit function, that the Group and Company had established appropriate financial reporting procedures and satisfied itself that those procedures were operating which includes consideration of all entities included in the consolidated Group's IFRS financial statements, to ensure that it has access to all the financial information of the Group and Company to effectively prepare and report on the audited consolidated and separate annual financial statements of the Group and Company, as required in terms of paragraph 3.84(g)(ii) of the JSE Listing Requirements;
- Satisfied itself that the combined assurance provided is effective and monitors the relationship between external assurance providers and the Group and Company;
- Ensured that the appointment of the auditor is presented and included as a resolution at the annual general meeting of the Group and Company, pursuant to section 61(8) of the Companies Act; and
- Satisfied itself through management representations and findings by the external auditor, as well as work performed by the internal auditors that the key audit matters relating to the Going Concern and the valuation of Biological Assets for Pine and Eucalyptus trees have been presented fairly in the audited consolidated and separate annual financial statements.

York Timber Holdings Limited

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Audited Consolidated and Separate Annual Financial Statements for the year ended 30 June 2025

Report of the Audit Committee

2. Audit Committee Members and Attendance

In terms of section 94(2) of the Companies Act, the Audit Committee is a statutory committee and in accordance with the JSE Listings Requirements and King IV™, comprises at least three independent non-executive members, elected by the shareholders at each annual general meeting. The members of the Audit Committee for the 2025 financial year were:

- AW Brink CA(SA) (Independent non-executive, Audit Committee Chairman);
- KM Nyanteh CA(SA) (Lead Independent non-executive);
- A Zetler CA(SA) CFA Charterholder (Non-executive); and
- L Dhlamini CA(SA) (Independent non-executive).

The members of the Audit Committee have the necessary academic qualifications and experience to adequately fulfil their duties as members of the Audit Committee.

The Chief Executive Officer, Chief Financial Officer, the heads of External and Internal Audit, and other relevant parties attend Audit Committee meetings by invitation.

The internal and external auditors have unlimited access to the Chairman of the Audit Committee.

During the year under review five meetings were held.

Name of director	12-Sep-24	17-Sep-24	11-Nov-24	13-Mar-25	13-Jun-25
AW Brink (Chairman)	Yes	Yes	Yes	Yes	Yes
KM Nyanteh	Yes	Yes	Yes	Yes	Yes
L Dhlamini	Yes	Yes	Yes	Yes	Yes
A Zetler	Yes	Yes	Yes	Yes	Yes

3. Internal controls

Internal controls comprise the methods and procedures adopted by management to provide reasonable assurance of the safeguarding of assets, prevention and detection of errors, accuracy and completeness of accounting records, and reliability of the audited consolidated and separate annual financial statements of all entities in the Group.

The internal audit function performs independent evaluations of the adequacy and effectiveness of the Group's controls, financial reporting mechanisms, information systems and operations, and provides a degree of assurance regarding safeguarding of assets and the integrity of financial information.

Management continuously reviews the adequacy of the internal control environment and addresses any shortcomings identified, including those identified by external and internal audit processes.

The Chief Executive Officer and Chief Financial Officer's evaluation of controls included:

- The identification and classification of risks based on material account balances in the statement of financial position and statement of profit or loss.
- Identification of controls, control owners and frequency of controls over these risks.
- Utilising internal audit to test the operating effectiveness of controls addressing high risk areas.
- Divisional finance managers providing assurance over internal controls over material account balances in their divisions, by formally signing off on an internal control attestation.

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Report of the Audit Committee

The committee has noted the prior period error in the Group financial statements in relation to the plantation biological asset. The root cause was due to human error which occurred during the Light Detection and Ranging (LiDAR) update of the Microforest data. This data is the source of plantation volumes. As part of the year-end close process, management requested an independent review of the LiDAR update process, which was conducted by Microforest. The findings of this review confirmed that the process followed to update the error, was in line with the valuation methodology. Additional controls have been put in place over the management of the Microforest database and change process.

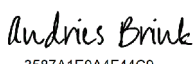
Management provided assurance that all shortcomings in internal control identified by Internal and External Audit have been and are in the process of being remediated. The Committee has discussed and documented the basis for its conclusion, which includes discussions with internal and external auditors as well as management.

The Audit Committee is of the view that the internal controls are designed and implemented effectively, and that management has taken appropriate steps to continue to address identified shortcomings.

4. Recommendation on the audited consolidated and separate annual financial statements

Based on the information provided to the Audit Committee by management, and considering the reports of the external and internal auditors, the Audit Committee is satisfied that the audited consolidated and separate annual financial statements comply, in all material respects, with the requirements of the Companies Act, IFRS®, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council and the JSE Listings Requirements. The audited consolidated and separate annual financial statements for the year ended 30 June 2025 were approved by the Board of Directors on 26 September 2025. These audited consolidated and separate annual financial statements will be open for discussion at the forthcoming annual general meeting (AGM).

The Chairman of the Audit Committee, or in his absence, the other members of the Audit Committee, will attend the AGM to answer questions falling within the mandate of the Audit Committee.

DocuSigned by:

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 AW Brink
 Chairperson of the Audit Committee
 26 September 2025

York Timber Holdings Limited

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Audited Consolidated and Separate Annual Financial Statements for the year ended 30 June 2025

Responsibility Statement by the Executive Directors

Each of the directors, whose names are stated below, hereby confirms that:

- the audited consolidated and separate annual financial statements set out on pages 17 to 92, fairly present in all material respects the financial position, financial performance and cash flows of the Group and Company in terms of the International Financial Reporting Standards;
- to the best of our knowledge and belief, no facts have been omitted or untrue statements made that would make the audited consolidated and separate annual financial statements false or misleading;
- internal financial controls have been put in place to ensure that material information relating to the Group and Company has been provided to effectively prepare the audited consolidated and separate annual financial statements of York;
- the internal financial controls are adequate and effective and can be relied upon in compiling the audited consolidated and separate annual financial statements, having fulfilled our role and function as executive directors with primary responsibility for implementation and execution of controls;
- where we are not satisfied, we have disclosed to the audit committee and the auditors any deficiencies in design and operational effectiveness of the internal financial controls and have taken steps to remedy the deficiencies; and
- we are not aware of any fraud involving directors.

Signed by:

Gabriel Conrad Daniel Stoltz

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GCD Stoltz

Chief Executive Officer

26 September 2025

Signed by:

PS Barnard

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PS Barnard

Chief Financial Officer

26 September 2025

York Timber Holdings Limited

(Registration Number 1916/004890/06)

Audited Consolidated and Separate Annual Financial Statements for the year ended 30 June 2025

Directors' Report

The directors present their report on the audited consolidated and separate annual financial statements of York Timber Holdings Limited (York, the Company or the Group) for the year 30 June 2025.

1. Review of activities

Main business and operations

York is incorporated in South Africa as an investment holding company. The activities of the Group are undertaken through its subsidiaries. The Group comprises the full forestry value chain as well as sawmilling operations and a plywood plant. The Group's sales channels target both wholesale and retail markets in South Africa, the Southern African Development Community (SADC) and other international markets. The Group also owns and operates an avocado, macadamia and citrus farm. The Group's operations are based in South Africa. There were no major changes herein during the year.

International and local markets remained challenging during the year. Plywood prices have reduced, offset by an increase in volumes. Lumber volumes and prices increased slightly year on year.

The total consolidated comprehensive income for the year was R315.9 million (2024: R60.4 million (Restated*)). The main contributions to the profit for the year was the increase in the biological asset value of R 435.4 million.

* Refer to note 39 for details on the restatement

2. Going concern

The audited consolidated annual financial statements have been prepared based on accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The Group will commence harvesting its own trees in the Escarpment in 2026, consistent with the revised rotation plan. In the current year, R275.6million (2024: R283.1 million) was spent on external log purchases. The Group has the flexibility to increase the harvesting of its own plantations instead of procuring logs externally to manage liquidity.

The Group is in compliance with the financial covenants imposed by the Nederlandse Financierings-Maatschappij Voor Ontwikkelingslanden (FMO) under the Amended Facility Agreement at year-end. Looking ahead, covenants were revised after year end and the Group expects to comply with the covenants for the following 12-months, based on current projections.

The directors believe that the Group has adequate financial resources to continue in operation for the foreseeable future and accordingly the audited consolidated and separate annual financial statements have been prepared on a going concern basis.

The directors have satisfied themselves that the Group is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the Group. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the Group.

3. Events after reporting date

The Group negotiated revised covenants under the FMO debt facility which will be in place from the first measurement period after year-end. Specifically, the net debt-to-EBITDA ratio was increased for the following five measurement periods, starting 30 September 2025.

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Directors' Report

The directors are not aware of any other matters or circumstances that arose since the end of the financial year to the date of this report that could have a material effect on the financial position of the Group and Company.

4. Directors' shareholding

As at 30 June 2025, the directors of the Company held direct beneficial interests in 0.22% (2024: 0.21%) and indirect beneficial interest in 43.08% (2024: 43.08%) of its issued ordinary shares, as set out below. There were no changes to the directors' shareholding between 30 June 2025 and the date of approval of the audited consolidated and separate annual financial statements.

Interest in shares	Number of shares		% shareholding	
	2025	2024	2025	2024
GCD Stoltz (Direct interest)	996 452	996 452	0.21	0.21
PS Barnard (Direct interest)	57 104	0	0.01	0.00
A Zetler and A van der Veen (represented by A2 Investment Partners Proprietary Limited, Peresec SA Nominees Proprietary Limited, Long View Asset Management Limited and Standard Bank Group Limited) (Indirect interest)*	204 259 975	204 259 975	43.08	43.08
	205 313 531	205 256 427	43.30	43.29

The register of interests of directors and others in shares of the Company is available to the shareholders on request.

* 16 150 904 shares (2024: 55 726 355 shares) are held through a Contract for Differences, which gives only economic beneficial interest in the underlying shares to A2 Investment Partners Proprietary Limited with no voting rights.

5. Authorised and issued share capital

No changes were approved or made to the authorised or issued share capital of the company during the year under review.

Issued	R'000		Number of shares	
	2025	2024	2025	2024
Ordinary shares	1 776 465	1 773 427	474 097 739	474 097 739

6. Borrowing limitations

In terms of the memorandum of incorporation, the Board may raise debt from time to time for the purposes of the Group.

The Group is subject to an externally imposed capital requirements in the form of a net debt-to-EBITDA ratio in terms of the FMO loan facility (refer to note 34).

7. Dividend

No dividend was declared or paid to the shareholders during the year.

York Timber Holdings Limited

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Directors' Report

8. Directors

The directors of the company during the year and up to the date of this report are as follows:

Name	Office	Designation
PS Barnard	Chief Financial Officer	Executive
AW Brink		Non-executive independent
L Dhlamini		Non-executive independent
HM Mbanyele-Ntshinga		Non-executive independent
KM Nyanteh		Non-executive lead independent
N Siyotula	Chairperson	Non-executive independent
AJ Solomons		Non-executive
GCD Stoltz	Chief Executive Officer	Executive
A van der Veen		Non-executive
A Zetler		Non-executive

9. Secretary

The Group's designated secretary is Kilgetty Statutory Services (South Africa) Proprietary Limited.

Details of the company secretary is as follows:

Secretary's business address:	1st Floor, Building 33 Waterford Office Park Waterford Drive Fourways 2191
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10. Interest in subsidiaries

Details of the Group's investment in material subsidiaries are set out in note 7 to the consolidated and separate annual financial statements.

11. Independent Auditors

Deloitte & Touche were reappointed as the independent auditors of York Timber Holdings Limited.

York Timber Holdings Limited

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Audited Consolidated and Separate Annual Financial Statements for the year ended 30 June 2025

Directors' Report

12. Shareholder profile

The shareholder profile at 30 June 2025 was as follows:

Shareholder spread	Number of Shareholder accounts	% Number of Shareholder accounts	Number of shares	% of number of shares
1 - 1 000	3 599	78.94	321 693	0.07
1 001 - 10 000	520	11.41	1 957 517	0.41
10 001 - 100 000	317	6.95	10 973 634	2.31
100 001 - 1 000 000	94	2.06	26 619 939	5.61
Over 1 000 000	29	0.64	434 224 956	91.60
Total	4 559	100	474 097 739	100.00

	Number of Shareholder accounts	% Number of Shareholder accounts	Number of shares	% of number of shares
Close Corporations	13	0.29	490 867	0.10
Collective Investment Schemes	11	0.24	40 837 402	8.61
Custodians	6	0.13	4 520 003	0.95
Foundations and Charitable Funds	11	0.24	323 019	0.07
Hedge Funds	5	0.11	23 109 763	4.87
Investment Partnerships	7	0.15	1 491 715	0.31
Managed Funds	4	0.09	75 033 551	15.83
Private Companies	73	1.60	74 604 345	15.74
Public Companies	3	0.07	88 180	0.02
Public Entities	1	0.02	95 136 513	20.07
Retail Shareholders	4 353	95.48	37 831 022	7.98
Retirement Benefit Funds	2	0.04	214 938	0.05
Script Lending	3	0.07	97 802 574	20.63
Share Schemes	1	0.02	48 200	0.01
Stockbrokers & Nominees	8	0.18	16 238 332	3.43
Trusts	57	1.25	6 325 894	1.33
Unclaimed Scrip	1	0.02	1 421	0.00
Total	4 559	100.00	474 097 739	100.00

York Timber Holdings Limited

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Directors' Report

Shareholder type	Number of Shareholder accounts	% Number of Shareholder accounts	Number of shares	% of number of shares
<i>Non-public shareholders</i>				
Directors and associates	5	0.11	205 313 531	43.30
Share schemes	1	0.02	48 200	0.01
<i>Public shareholders</i>	4 553	99.87	268 736 008	56.69
Total	4 559	100.00	474 097 739	100.00

Beneficial Shareholders Holding > 3% of Issued Shares

	Number of shares	% of issued shares
Industrial Development Corporation	95 136 513	20.07
Standard Bank Group Limited	16 150 904	3.41
A Zetler and A van der Veen (Represented by A2 Investment Partners Proprietary Limited)	71 322 021	15.04
Rozendal Partners	22 543 817	4.76
Long View Asset Management Limited	21 000 000	4.43
Coronation Fund Managers	15 080 693	3.18
Bridge Creek Trading 10 Proprietary Limited	29 356 410	6.19
Peresec SA Nominees Proprietary Limited	95 838 175	20.21
Total	366 428 533	77.29

INDEPENDENT AUDITOR'S REPORT
To the Shareholders of York Timber Holdings Limited

Tel: +27 (0)31 560 7000
www.deloitte.com

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated and separate financial statements of York Timber Holdings Limited (the Group and Company) set out on pages 17 to 92, which comprise the consolidated and separate statements of financial position as at 30 June 2025, and the consolidated and separate statements of comprehensive income, consolidated and separate statements of changes in equity and consolidated and separate statements of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of York Timber Holdings Limited as at 30 June 2025, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act of South Africa.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements* section of our report. We are independent of the Group in accordance with the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' (IESBA) *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA code). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

In terms of the IRBA Rule on Enhanced Auditor Reporting ("EAR") for the Audit of Financial Statements of Public Interest Entities, published in Government Gazette No. 49309 dated 15 September 2023 (EAR Rule), we report:

Final Materiality

We define materiality as the magnitude of misstatement in the consolidated and separate financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the nature and extent of our audit work and in evaluating the results of our work.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Financial statements - group	Financial statements - company
Overall materiality	R29.4 million (2024: R 26 million)	R26.6 million (2024: R26 million)
How we determined it	Based on 1.5% (2024: 1.5%) of Revenue	Based on 1.0% (2024: 1.0%) of Net Assets
Rationale for benchmark applied	A key judgement in determining materiality is the appropriate benchmark to select, based on our perception of the needs of shareholders. We considered which benchmarks and key performance indicators have the greatest bearing on shareholder decisions. For Group financial statement purposes, we determined that Revenue remained the key benchmark given the fluctuations in profit before tax. Revenue provides a more stable benchmark. The input factor remained consistent with that used in the prior year. For Company financial statements, we determined that Net Asset remained the key benchmark given that the entity serves as the investment holding company. The input factor remained consistent with that used in the prior year.	



Managing Partner: ML Tshabalala

A full list of partners and directors is available on request

B-BBEE rating: Level 1 contribution in terms of the DTI Generic Scorecard as per the amended Codes of Good Practice

Associate of Deloitte Africa, a Member of Deloitte Touche Tohmatsu Limited

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of York Timber Holdings Limited (continued)

Group Audit Scope

Our Group audit was scoped by obtaining an understanding of the Group and its environment, including the structure and organization of the group, and assessing the risks of material misstatement at the Group level.

We selected components at which audit work in support of the group audit opinion needed to be performed in order to provide an appropriate basis for undertaking audit work to address the risks of material misstatement. Our selection was informed by taking into account the component's contribution to relevant classes of transactions, account balances or disclosures.

Based on our assessment, we performed work at the 7 trading components (2023: 7 components), representing the Group's most material operations.

The following audit scoping was applied:

- 5 components (2024: 5 components) were subject to a full scope audit;
- No components (2024: 1 component) were subject to specified balance procedures where the extent of our testing was based on our assessment of the risk of material misstatement of certain specific financial balances and / or processes and of the materiality of the Group's operations at those locations; and
- 2 components (2024: 1 component) were subject to group analytical procedures.

The 5 components subject to full scope audits account for 99.4% of the Group's Assets (2024: 99.4%) and 99.7% of the Group's Revenue (2024: 99.8%). The other components subject to specified balance procedures and group analytical procedures account for 0.6% of the Group's Assets (2024: 0.6%) and 0.3% of the Group's Revenue (2024: 0.2%).

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In terms of the EAR Rule, we are required to report the outcome of audit procedures or key observations with respect to the key audit matters and these are included below.

Key audit matter	Our audit procedures to address the key audit matter were as follows:
Valuation of biological assets (timber plantation) The biological asset comprises pine and eucalyptus (timber plantation) as well as unharvested fruit. As disclosed in note 6 of the consolidated financial statements, the valuation of timber plantation included in the biological assets amounted to R3 241 million (Restated 2024: R2 710 million). The net fair value adjustment for the year ended 30 June 2025 amounted to an increase in profit of R435 million (Restated 2024: increase in profit of R151 million). The timber plantation is measured at fair value less estimated costs to sell in accordance with IAS 41: Agriculture ('IAS 41') and IFRS 13 Fair value adjustment ("IFRS 13"). The fair value is determined using a discounted cash flow model. These discounted cash flows require estimates, assumptions and judgements relating to log prices, operating costs, costs to sell, discount rates and volumes. As a result of the significant audit effort required to assess the judgements made by management with regards to the inputs into the discounted cash flows, the valuation of the timber plantation was considered a key audit matter in our audit of the consolidated financial statements.	Our audit procedures to address the key audit matter were as follows: • Assessed the design and tested implementation of both automated and manual controls in respect of the determination of inputs into the timber plantation fair value model as well as the application of the relevant IFRS considerations. • Tested the operating effectiveness of the controls relating to thinning, planting, harvesting and enumerations which inform forecasted volumes. • Utilised internal valuation experts to test the logic of the biological asset model and the appropriateness of the discount rate used in the discounted cash flows. • Performed a retrospective review on prior years forecasted volumes to the actual volumes achieved for thinning's and harvesting. We further challenged management's use of theoretical thinning and harvesting volumes in the model against historical thinning's and harvestings. • Assessed the reasonableness of the assumptions contained within the fair value model relating to sales prices and operating costs. • We performed independent sensitivity analysis on the biological asset model for all key assumptions within the model. • We considered whether the error related to 2024 volume movements and its correction had been adequately determined, disclosed and explained in the financial statements. • Assessed the competence, qualifications and objectivity of managements expert, including an assessment of the scope of their work performed. • We assessed the reasonableness of the product classes of logs and the different species of plantation and the impact thereof on the forecasted volumes. • Assessed whether the disclosures in the consolidated financial statements in relation to the fair value of the biological assets and the disclosures relating to the estimation uncertainty are complete, appropriate and in compliance with IFRS 13 and IAS 41 as disclosed in note 6. • We evaluated the appropriateness of the restatement and resultant disclosures with the assistance of our accounting and auditing technical specialists. Based on the procedures performed, we found the valuation of the Timber plantation to be reasonable and the related disclosures to be appropriate.

Key Audit Matters (continued)

Key audit matter	Our audit procedures to address the key audit matter were as follows:
Going Concern assumption International Standards on Auditing 570: Going Concern prescribes the preparation of the financial statements on the assumption that the entity is a going concern and will continue its operations for the foreseeable future. Note 37 of the consolidated financial statements sets out managements going concern considerations. The note further describes the Group's compliance with the financial covenants imposed by the Nederlandse Financierings-Maatschappij Voor Ontwikkelingslanden (FMO) under the Amended Facility Agreement at year-end as well as revised covenants for the next 12 months. Due to the significant and pervasive impact that the going concern assumption has on the financial statements and the extent of judgement involved in assessing the appropriateness of the going concern assumption, given the circumstances outlined above, this was considered to be a key audit matter in our audit of the consolidated financial statements.	Our audit procedures to address the key audit matter were as follows: • Obtained management's assessment of going concern, including the revised future forecasted cash flows impacting the next 12 months. • Tested management's assessment, including challenging and critically assessing the assumptions made by management against observable data and the Group's historical performance, and assessing the budget and forecast process. • Performed scenario analysis over management's cashflow forecasts. • Assessed the appropriateness of the disclosure in note 37 of the consolidated financial statements in relation to going concern. • Entrusted the audit work to senior personnel and personnel with specialized experience. • Engaged with a legal specialist to review the lender agreements for any restrictive clauses and assess the impact thereof on the going concern assertion. • Engaged with audit technical specialist to assess the impact that potential breaches and available remedies may have on the going concern assertion. • Reviewed and assessed the terms of the negotiated revised covenants with FMO entered into post year end. Based on our procedures performed above, the going concern assumptions appears appropriate in all material aspects. Please refer to note 37 of the consolidated annual financial statements.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the document titled "York Timber Holdings Limited Audited Consolidated and Separate Annual Financial Statements for the year ended 30 June 2025", which includes the Directors' Report, the Audit Committee's Report and the Company Secretary's Certificate as required by the Companies Act of South Africa, which we obtained prior to the date of this report, and the Annual Report, which is expected to be made available to us after that date. The other information does not include the consolidated and separate financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Consolidated and Separate Financial Statements

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

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

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

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

Audit Tenure

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that Deloitte & Touche has been the auditor of York Timber Holdings Limited for 3 years.

Signed by:
 *Deloitte & Touche*
9DFA0D3CD60C433...
Deloitte & Touche
Registered Auditor
Per: Logan Govender CA(SA); RA
Partner

2 Vuna Close
Umhlanga Ridge
4319
South Africa

York Timber Holdings Limited

(Registration Number 1916/004890/06)

Audited Consolidated and Separate Financial Statements for the year ended 30 June 2025

Statements of Financial Position

Figures in R `000	Notes	Group 2025	Group 2024 Restated*	Company 2025	Company 2024
Assets					
Non-current assets					
Property, plant and equipment	5	943 727	897 778	-	-
Investment property		13 884	13 884	-	-
Intangible assets		2	33	-	-
Biological assets*	6	2 779 622	2 311 171	-	-
Investments in subsidiaries	7	-	-	1 262 326	1 262 207
Deferred tax assets	8	2 613	5 158	-	-
Other financial assets	9	89 297	81 210	-	-
Loan to Group company	10	-	-	1 418 844	1 405 551
Total non-current assets		3 829 145	3 309 234	2 681 170	2 667 758
Current assets					
Inventories	11	337 519	314 875	-	-
Trade and other receivables	12	263 731	243 534	441	269
Current tax assets		-	2 668	2	2
Biological assets*	6	469 025	409 939	-	-
Other financial assets	9	50 466	51 348	-	-
Cash and cash equivalents	13	29 036	56 939	-	1
Total current assets		1 149 777	1 079 303	443	272
Total assets		4 978 922	4 388 537	2 681 613	2 668 030

* Refer to note 39 for details on the restatement.

York Timber Holdings Limited

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Audited Consolidated and Separate Financial Statements for the year ended 30 June 2025

Statements of Financial Position

Figures in R `000	Notes	Group 2025	Group 2024 Restated*	Company 2025	Company 2024
Equity and liabilities					
Equity					
Share capital	14	1 738 034	1 735 670	1 776 465	1 773 427
Retained income *		1 305 593	989 055	903 982	889 675
Reserves	15	15 837	19 334	-	2 919
Total equity		3 059 464	2 744 059	2 680 447	2 666 021
Liabilities					
Non-current liabilities					
Provisions	16	7 103	6 778	-	-
Deferred tax liabilities *	8	870 688	757 903	-	-
Borrowings	17	459 521	345 123	-	-
Lease liabilities	18	6 706	12 928	-	-
Retirement benefit obligations	19	24 266	23 526	-	-
Total non-current liabilities		1 368 284	1 146 258	-	-
Current liabilities					
Provisions	16	18 158	14 403	-	-
Trade and other payables	20	378 533	353 622	1 166	2 009
Current tax liabilities		5 346	-	-	-
Borrowings	17	130 064	118 287	-	-
Lease liabilities	18	15 972	8 996	-	-
Retirement benefit obligations	19	3 101	2 912	-	-
Total current liabilities		551 174	498 220	1 166	2 009
Total liabilities		1 919 458	1 644 478	1 166	2 009
Total equity and liabilities		4 978 922	4 388 537	2 681 613	2 668 030

* Refer to note 39 for details on the restatement.

York Timber Holdings Limited

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Audited Consolidated and Separate Financial Statements for the year ended 30 June 2025

Statements of Profit or Loss and Other Comprehensive Income

Figures in R `000	Notes	Group 2025	Group 2024 Restated*	Company 2025	Company 2024
Revenue	22	1 994 906	1 745 219	5 472	6 294
Cost of sales # *	23	(1 122 211)	(1 242 834)	-	-
Gross profit		872 695	502 385	5 472	6 294
Other income	24	18 396	16 047	-	-
Other expenses	26	(411 564)	(395 874)	(5 472)	(6 452)
Other gains	25	11 764	706	-	-
Profit / (loss) from operating activities		491 291	123 264	-	(158)
Finance income	27	19 537	16 862	14 307	4
Finance costs	28	(77 334)	(58 247)	-	(7 161)
Profit / (loss) before tax		433 494	81 879	14 307	(7 315)
Income tax expense *	29	(116 956)	(21 749)	-	-
Profit / (loss) for the year		316 538	60 130	14 307	(7 315)
Other comprehensive income					
Components of other comprehensive income that will not be reclassified to profit or loss					
Remeasurement of retirement benefit obligation		(792)	678	-	-
Taxation related to remeasurement of retirement benefit obligation		214	(435)	-	-
Total other comprehensive (loss) / income that will not be reclassified to profit or loss		(578)	243	-	-
Total other comprehensive (loss) / income net of tax		(578)	243	-	-
Total comprehensive income / (loss)		315 960	60 373	14 307	(7 315)
Earnings per share from continuing operations attributable to owners of the parent during the year					
Basic earnings per share (cents)					
Basic earnings / (loss) per share *	38	68.19	12.97	3.02	(1.54)
Diluted earnings per share (cents)					
Diluted earnings / (loss) per share *	38	68.19	12.94	3.02	(1.54)

The fair value gain on biological assets of R435 million (2024: gain of R 151 million (Restated*)) is included in cost of sales.

* Refer to note 39 for details on the restatement.

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Audited Consolidated and Separate Financial Statements for the year ended 30 June 2025

Statement of Changes in Equity - Group

Figures in R `000	Share capital	Retirement benefit obligation reserve	Share-based payment reserve	Revaluation reserve	Retained income *	Total
Balance at 1 July 2023	1 735 670	1 494	2 164	14 678	928 925	2 682 931
Changes in equity						
Profit for the year (Restated *)	-	-	-	-	60 130	60 130
Other comprehensive income	-	243	-	-	-	243
Total comprehensive income for the year	-	243	-	-	60 130	60 373
Employee share option scheme	-	-	755	-	-	755
Balance at 30 June 2024	1 735 670	1 737	2 919	14 678	989 055	2 744 059
Balance at 1 July 2024 as previously stated	1 735 670	1 737	2 919	14 678	1 064 997	2 820 001
Adjustment due to restatements and prior period error (refer to note 39)	-	-	-	-	(75 942)	(75 942)
Balance at 1 July 2024 as restated	1 735 670	1 737	2 919	14 678	989 055	2 744 059
Changes in equity						
Profit for the year	-	-	-	-	316 538	316 538
Other comprehensive loss	-	(578)	-	-	-	(578)
Total comprehensive income for the year	-	(578)	-	-	316 538	315 960
Share-based payment expenses	-	-	119	-	-	119
Vested shares from share-based payment	2 364	-	(3 038)	-	-	(674)
Balance at 30 June 2025	1 738 034	1 159	-	14 678	1 305 593	3 059 464
Notes	14		15			

* Refer to note 39 for details on the restatement.

York Timber Holdings Limited

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Audited Consolidated and Separate Financial Statements for the year ended 30 June 2025

Statement of Changes in Equity - Company

Figures in R `000	Share capital	Share-based payment reserve	Retained income	Total
Balance at 1 July 2023	1 773 427	2 164	896 990	2 672 581
Changes in equity				
Loss for the year	-	-	(7 315)	(7 315)
Total comprehensive loss	-	-	(7 315)	(7 315)
Employee share option scheme	-	755	-	755
Balance at 30 June 2024	1 773 427	2 919	889 675	2 666 021
Balance at 1 July 2024	1 773 427	2 919	889 675	2 666 021
Changes in equity				
Profit for the year	-	-	14 307	14 307
Total comprehensive profit	-	-	14 307	14 307
Share-based payment expenses	-	119	-	119
Vested shares from share-based payment	3 038	(3 038)	-	-
Balance at 30 June 2025	1 776 465	-	903 982	2 680 447
Notes	14	15		

York Timber Holdings Limited

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Audited Consolidated and Separate Financial Statements for the year ended 30 June 2025

Statements of Cash Flows

Figures in R `000	Notes	Group 2025	Group 2024 Restated*	Company 2025	Company 2024
Net cash flows from / (used in) operations	30	147 611	28 369	(1 015)	(4)
Income taxes refunded / (paid)	31	6 603	(465)	-	-
Net cash flows from / (used in) operating activities		154 214	27 904	(1 015)	(4)
Cash flows (used in) / from investing activities					
Proceeds from sales of property, plant and equipment		16 502	8 345	-	-
Purchase of property, plant and equipment		(111 415)	(62 275)	-	-
Purchase of biological assets (plantations)		(53 274)	-	-	-
Proceeds from contingency insurance fund		29 108	63 494	-	-
Contributions to contingency insurance fund		(35 458)	(63 047)	-	-
Investment in shares		(855)	-	-	-
Advance from subsidiary		-	-	1 010	-
Interest received*		19 537	16 862	4	4
Establishment cost on biological assets		(38 853)	(34 243)	-	-
Cash flows (used in) / from investing activities		(174 708)	(70 864)	1 014	4
Cash flows used in financing activities					
Repayment of borrowings	30	(40 604)	(303 798)	-	-
Proceeds from borrowings	30	118 025	289 977	-	-
Payment of loan raising fees	30	-	(14 525)	-	-
Repayment of lease liabilities	30	(13 685)	(10 306)	-	-
Interest paid*		(73 520)	(53 821)	-	-
Cash flows used in financing activities		(9 784)	(92 473)	-	-
Net decrease in cash and cash equivalents before effect of exchange rate changes		(30 278)	(135 433)	(1)	-
Effect of exchange rate changes on cash and cash equivalents		2 375	456	-	-
Net decrease in cash and cash equivalents		(27 903)	(134 977)	(1)	-
Cash and cash equivalents at beginning of the year		56 939	191 916	1	1
Cash and cash equivalents at end of the year	13	29 036	56 939	-	1

* Refer to note 39 for details on the restatement.

York Timber Holdings Limited

(Registration Number 1916/004890/06)

Audited Consolidated and Separate Financial Statements for the year ended 30 June 2025

Notes and Accounting Policies to the Audited Consolidated and Separate Annual Financial Statements

1. General information

York Timber Holdings Limited is a public company incorporated and domiciled in South Africa.

The audited consolidated and separate annual financial statements for the year ended 30 June 2025 were approved by the Board of Directors on 26 September 2025.

The material accounting policies applied in the preparation of these audited consolidated and separate annual financial statements are set out below and are incorporated in the separate notes throughout.

2. Basis of preparation and material accounting policy information

The audited consolidated and separate annual financial statements have been prepared on the going concern basis in accordance with, and in compliance with International Financial Reporting Standards (IFRS) Accounting Standards as issued by the International Accounting Standards Board effective at the time of preparing these consolidated and separate annual financial statements and the Companies Act, No. 71 of 2008, as amended.

These audited consolidated and separate annual financial statements comply with the requirements of the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council and the JSE Listings Requirements. In the event of a conflict, IFRS Accounting Standards prevails.

The audited consolidated and separate annual financial statements have been prepared on the historic cost convention, unless otherwise stated in the accounting policies which follow and incorporate the principal accounting policies set out below and in the notes. They are presented in South African Rands which is the Group and Company's functional currency and rounded to the nearest thousand (R'000).

All subsidiaries use uniform accounting policies.

These accounting policies are consistent with the previous period except for the classification changes in the cashflow statement as disclosed in note 39.

In the current financial year, the Group and Company have changed their accounting policy on the presentation of finance income and finance cost in the statement of cash flows. Previously, finance income and finance cost were classified within operating activities. Finance income is presented within investing activities and finance cost in financing activities.

Consolidation

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated annual financial statements.

Investments in subsidiaries in the separate financial statements

York Timber Holdings Limited

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Audited Consolidated and Separate Financial Statements for the year ended 30 June 2025

Notes and Accounting Policies to the Audited Consolidated and Separate Annual Financial Statements

Basis of preparation and material accounting policy information continued...

Subsidiaries are entities controlled by the Company. Control exists when the company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated annual financial statements from the date that control commences until the date that control ceases. They are de-consolidated from the date that control is lost.

Investments in subsidiaries are initially carried at cost and subsequently at cost less impairment.

3. Critical accounting estimates and judgements

The preparation of audited consolidated and separate annual financial statements in conformity with IFRS® requires management from time to time to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

For details of judgements and estimates that have a significant effect on the audited consolidated and separate annual financial statements, refer to:

- Note 5 - Property, plant and equipment
- Note 6 - Biological assets

Refer to the accounting policies and notes for the financial statement areas noted above for disclosure regarding the significant judgement and estimation uncertainties.

4. New Standards and Interpretations

4.1 Standards and Interpretations effective and adopted in the current year

In the current year, the Group and Company have adopted all new and revised IFRS®s that are relevant to its operations and effective for annual reporting periods beginning on or after 1 January 2024.

At the date of authorisation of these audited consolidated and separate annual financial statements for the year ended 30 June 2025, the following IFRS®s were adopted:

Non-current Liabilities with Covenants (Amendments to IAS 1)

Application of this standard did not impact these audited consolidated and separate financial statements as the entity did not breach loan covenants.

4.2 New Standards and Interpretations not yet adopted

The Group and the Company have not applied the following new, revised or amended pronouncements that have been issued by the IASB as they are not yet effective for the annual financial year beginning 1 July 2024. The directors anticipate that the new standards, amendments and interpretations will be adopted in the Group and Company's consolidated and separate annual financial statements when they become effective.

York Timber Holdings Limited

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Audited Consolidated and Separate Financial Statements for the year ended 30 June 2025

Notes and Accounting Policies to the Audited Consolidated and Separate Annual Financial Statements

New Standards and Interpretations continued...

IFRS 18 - Presentation and Disclosure in Financial Statements

IFRS 19 - Subsidiaries without Public Accountability: Disclosures

Amendments to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments

IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information

IFRS S2 Climate - related disclosure

The Group and Company have assessed, where practicable, the potential impact of all these new standards, amendments and interpretations that will be effective in future periods and determined that it will not have a material impact on the Group and Company in the current and future periods.

IFRS 18 will change the layout of the statement of profit or loss and other comprehensive income and the categorisation of income and expense line items.

Management does not expect IFRS 19 and the amendments to IFRS 9 and IFRS 7 to have a material effect on the Group and Company's net assets, financial position or cash flows.

IFRS S1 and IFRS S2 are not required to be applied in South Africa in the current year.

York Timber Holdings Limited

(Registration Number 1916/004890/06)

Audited Consolidated and Separate Financial Statements for the year ended 30 June 2025

Notes and Accounting Policies to the Consolidated and Separate Financial Statements

Figures in R `000

5. Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, except for residential buildings. Capital work in progress assets are carried at cost less impairment losses. Significant capital spares that are available for use in its current form or condition is included within property, plant and equipment. The capital spares are carried at cost less any impairments and depreciated when they are installed. Residential buildings are measured based on the revaluation model at fair value less accumulated depreciation and accumulated impairment losses since last revaluation. The residual value of the residential buildings equals their fair value therefore no depreciation was recognised. Valuations are performed every 3 years by an independent valuer. Property, plant and equipment are recognised when cost can be measured reliably and future economic benefits are probable. Assets are tested for impairment annually when impairment indicators exist in terms of IAS 36.

The Group recognises right-of-use assets and corresponding lease liabilities in accordance with IFRS 16 Leases at the commencement date of each lease. Right-of-use assets comprise warehouse and office premises leased for periods of between three and five years, as well as forestry machinery leased for a period of 12 months. Lease payments for five of the warehouse and office premises include fixed annual escalations, while one warehouse lease contains variable lease payments linked to movements in the Consumer Price index. The right-of-use assets are measured at the present value of lease payments over the lease term at the company's incremental borrowing rate adjusted for asset specific risks i.e. unsecured asset and the lease term being shorter. The right-of-use asset are initially measured at cost less accumulated depreciation and accumulated impairment losses and are depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. Refer to note 18 for details on lease liabilities. The right-of-use assets and lease liability are remeasured with changes to lease terms and indexation where applicable.

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of the plant and equipment and is recognised net within other income / other expenses in profit or loss.

The Group has elected to apply the recognition exemption to not recognise right-of-use assets and liabilities for short-term leases of 12 months or less. The lease payments for exempt leases are expensed on a straight-line basis in profit or loss.

No lease extension periods were included in the assessment of the right-of-use assets and lease liabilities due to the Group not being reasonably certain about the exercise of lease extension periods and no significant leasehold improvements being undertaken. The lease agreements are renegotiated at the termination of each lease contract.

Depreciation

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of plant and equipment. Depreciation of an item of plant and equipment commences when it is available for use and ceases at the earlier of the date it is classified as held for sale or the date it is derecognised upon disposal.

The residual values, depreciation methods and useful lives are reassessed annually at the reporting date and adjusted prospectively. The useful lives of items of property, plant and equipment have been assessed as follows:

York Timber Holdings Limited

(Registration Number 1916/004890/06)

Audited Consolidated and Separate Financial Statements for the year ended 30 June 2025

Notes and Accounting Policies to the Consolidated and Separate Financial Statements

Figures in R `000	Group 2025	Group 2024	Company 2025	Company 2024
<i>Property, plant and equipment continued...</i>				
Asset class	Useful life		Depreciation method	
Land	Indefinite			
Buildings	5 - 50 years		Straight-line	
Plant and machinery	2 - 30 years		Straight-line	
Residential buildings	20 - 49 years		Straight-line	
Roads	10 - 40 years		Straight-line	
Capital work in progress	Not depreciated			
Right-of-use assets – Warehouse and offices	3 - 5 years		Straight-line	
Right-of-use assets – Forestry machinery	7 years		Straight-line	
Motor vehicles	3 - 20 years		Straight-line	
Other property, plant and equipment*	2 - 30 years		Straight-line	
Bearer plants	20 - 30 years		Straight-line	

* Other property, plant and equipment refers to furniture and fittings, computer equipment and critical spares. The total other equipment has been grouped together as the total net carrying value for these assets is less than 20% of the total net carrying value of property, plant and equipment.

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Property, plant and equipment continued...

5.1 Balances at year end and movements for the year

	Land	Buildings	Residential buildings	Plant and machinery	Motor vehicles	Bearer plants [^]	Capital work in progress	Right-of-use assets - warehouses and office space	Right-of-use assets - forestry machinery	Roads	Other property, plant and equipment*	Total
Reconciliation for the year ended 30 June 2025 - Group												
Balance at 1 July 2024	140 880	314 182	34 090	738 149	250 485	29 804	30 514	64 673	-	39 904	20 708	1 663 389
At cost or revaluation												
Accumulated depreciation and impairment	(4)	(114 758)	(189)	(432 630)	(134 435)	(4 555)	-	(46 198)	-	(19 184)	(13 658)	(765 611)
Carrying amount	140 876	199 424	33 901	305 519	116 050	25 249	30 514	18 475	-	20 720	7 050	897 778
Movements for the year ended 30 June 2025												
Additions	53 228	2 633	1 258	29 645	29 901	469	32 672	3 419	8 742	-	1 044	163 011
Depreciation	-	(12 938)	(216)	(52 975)	(27 074)	(1 101)	-	(8 764)	(1 041)	(1 037)	(2 664)	(107 810)
Impairments	-	(2 139)	-	-	-	-	-	-	-	-	-	(2 139)
Transfers	-	3 487	-	15 512	335	-	(22 322)	-	-	-	2 988	-
Disposals	(632)	-	-	(3 141)	(3 229)	-	-	-	-	-	(111)	(7 113)
Property, plant and equipment at the end of the year	193 472	190 467	34 943	294 560	115 983	24 617	40 864	13 130	7 701	19 683	8 307	943 727
Closing balance at 30 June 2025												
At cost or revaluation	193 476	320 301	35 348	769 839	264 428	30 273	40 864	68 093	8 742	39 904	21 996	1 793 264
Accumulated depreciation and impairment	(4)	(129 834)	(405)	(475 279)	(148 445)	(5 656)	-	(54 963)	(1 041)	(20 221)	(13 689)	(849 537)
Carrying amount	193 472	190 467	34 943	294 560	115 983	24 617	40 864	13 130	7 701	19 683	8 307	943 727

[^] From the R24.6 million bearer plants, R8.7 million are immature bearer plants and R15.9 million mature.

* Other property, plant and equipment refers to furniture and fittings, computer equipment and critical spares. The total other equipment has been grouped together as the total net carrying value for these assets is less than 20% of the total net carrying value of property, plant and equipment.

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Property, plant and equipment continued...

Reconciliation for the year ended 30 June 2024 - Group	Land	Buildings	Residential buildings	Plant and machinery	Motor vehicles	Bearer plants [^]	Capital work in progress	Right-of-use assets - warehouses and office space	Right-of-use assets - forestry machinery	Roads	Other property, plant and equipment*	Total
Balance at 1 July 2023												
At cost or revaluation	140 880	321 628	24 567	680 327	233 149	26 689	33 576	64 377	-	40 259	19 393	1 584 845
Accumulated depreciation and impairment	-	(103 490)	-	(399 587)	(132 815)	(3 530)	-	(37 039)	-	(18 031)	(11 534)	(706 026)
Carrying amount	140 880	218 138	24 567	280 740	100 334	23 159	33 576	27 338	-	22 228	7 859	878 819
Movements for the year ended 30 June 2024												
Additions	-	1 627	-	78 954	49 125	521	12 829	-	-	-	1 844	144 900
Depreciation	-	(12 696)	(189)	(56 102)	(25 081)	(1 026)	(2)	(8 863)	-	(1 172)	(2 596)	(107 727)
Impairments	(4)	(107)	-	(6 164)	(1 602)	-	(1 295)	-	-	(336)	(615)	(10 123)
Transfers	-	(7 516)	9 523	8 616	772	2 595	(14 594)	-	-	-	604	-
Disposals	-	(22)	-	(525)	(7 498)	-	-	-	-	-	(46)	(8 091)
Property, plant and equipment at the end of the year	140 876	199 424	33 901	305 519	116 050	25 249	30 514	18 475	-	20 720	7 050	897 778
Closing balance at 30 June 2024												
At cost or revaluation	140 880	314 182	34 090	738 149	250 485	29 804	30 514	64 673	-	39 904	20 708	1 663 389
Accumulated depreciation and impairment	(4)	(114 758)	(189)	(432 630)	(134 435)	(4 555)	-	(46 198)	-	(19 184)	(13 658)	(765 611)
Carrying amount	140 876	199 424	33 901	305 519	116 050	25 249	30 514	18 475	-	20 720	7 050	897 778

[^] From the R25.2 million bearer plants, R8.6 million are immature bearer plants and R16.6 million mature.

* Other property, plant and equipment refers to furniture and fittings, computer equipment and critical spares. The total other equipment has been grouped together as the total net carrying value for these assets is less than 20% of the total net carrying value of property, plant and equipment.

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Property, plant and equipment continued...

5.2 Additional disclosures

Assets whose title is restricted and pledged as security

Landholdings, bearer fruits and buildings with a carrying value of R289.1 million (2024: R215.9 million) were encumbered in favour of Micawber 558 Proprietary Limited (unrelated to the Group), as security for loans and borrowings, as per note 17.5.

The carrying values of assets pledged as security under instalment sale agreements are as follows:

	2025	2024
Plant and machinery	54 660	47 718
Motor vehicles	73 861	66 566
Other equipment	200	310
Total	128 721	114 594

The Group has entered into instalment sale agreements with Absa, Mercedes Benz Financial Services / Daimler Financial Services and Toyota Financial Services for plant, equipment and vehicles (refer to note 17).

The present value of minimum instalment sale agreement payments due at year-end was R118 million (2024: R110 million) (refer to note 17).

5.3 Impairments

Impairment losses recognised were as follows:

Current year:

The Group performed impairment assessments on the Sabie sawmill cash-generating unit (CGU), due to losses incurred in the current period, and on the Driekop sawmill CGU, which remains mothballed. The recoverable amount of both CGUs was determined using the fair value less costs of disposal method. External valuations obtained in the prior year were updated for current market conditions. These valuations were performed by an independent external valuer with specific experience in the sawmill industry. Fair value was based on the market value of the assets in their current condition. Based on the assessment, the recoverable amount of both CGUs exceeded their carrying amounts, and accordingly no impairment was recognised in the current year.

Sensitivity analysis

Management assessed the sensitivity of the recoverable amounts to reasonably possible changes in key assumptions used in the valuation. A decrease of 5% in estimated market values would not result in the recoverable amount of either the Sabie or Driekop CGU falling materially below its carrying amount. Accordingly, management does not consider there to be a significant risk of material impairment under reasonably possible changes in assumptions.

Fair value hierarchy disclosure

The determination of fair value less costs of disposal has been classified as a Level 3 measurement in terms of the IFRS 13 fair value hierarchy, as it relies on significant unobservable inputs, including marketability discounts and adjustments for the condition of specialised sawmill assets to reflect the current use and condition of the Group's property, plant and equipment.

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Property, plant and equipment continued...

During the year, an impairment loss of R2.1 million was recognised in respect of the Nicholson and Mullin drymill building, which was damaged and subsequently disposed of after year-end. The impairment loss has been recognised in other operating expenses in the statement of profit or loss.

Prior year:

R10.1 million in total, comprising:

- work-in-progress projects that were discontinued and not capitalised as property, plant and equipment.
- motor vehicles no longer in use.
- land, roads, buildings and plant and equipment at the Sabie sawmill, impaired due to operating losses incurred.
- land, roads, buildings and plant and equipment at the Driekop sawmill, impaired as a result of restructuring activities.

6. Biological assets*

* Refer to note 39 for details on the restatement.

The biological assets comprise of plantation biological assets (pine and eucalyptus trees) and unharvested fruit. Biological assets are recognised when the Group controls the assets, future economic benefits are probable and fair value can be measured reliably.

Biological assets are measured on initial and subsequent recognition and at the end of each reporting period at fair value less costs to sell at the point of harvest, in accordance with IAS 41. The consequent gain or loss arising on initial and subsequent recognition of biological assets at fair value less costs to sell is included in operating profit or loss, in the cost of sales line item.

Plantation biological assets (pine and eucalyptus trees):

Valuation technique and significant inputs

Fair value is determined using a discounted cash flow model that reflects current market participant assumptions and the condition and location of the plantations. The model incorporates sustainable harvesting plans and estimates of standing volumes, biological growth and yield, market-determined timber prices, harvesting, silviculture and selling costs, and a post-tax discount rate. The fair value measurement is classified as Level 3 in the IFRS 13 fair value hierarchy due to significant unobservable inputs. Management reviews the key inputs at each reporting date and performs sensitivity analyses over the most significant unobservable inputs (timber prices, discount rate, yields and costs).

The model reflects a single-rotation harvest cycle (average clearfell age 20 to 23 years for pine plantations and 10 to 14 years for eucalyptus plantations) and does not include cash flows from replanting after clearfell.

Cost

Biological assets are measured at fair value less costs to sell with any resultant gain or loss recognised in cost of sales in the statement of profit or loss and other comprehensive income. Establishment costs which include activities such as site preparation, planting and the cost of the seedlings are capitalised to the biological asset. All subsequent costs are expensed through profit or loss.

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Biological assets continued...*

Harvest and transfer to inventories

On harvest, the agricultural produce (felled logs) is measured at its fair value less costs to sell at the point of harvest (roadside price). This amount becomes the cost of inventories under IAS 2 (refer to note 11). Biological assets are transferred to inventories upon harvest.

Classification as current / non-current

Biological assets expected to be harvested within 12 months after the reporting date, based on the annual plan of operations, are classified as current; all others are classified as non-current.

In the current year, the Group bought the Schultz plantations with 77 286m³ standing volume for R17.8 million as well as the Pine Valley plantations with 96 658m³ standing volume for R35.5 million.

The pine and eucalyptus plantations have been classified as Level 3 in the fair value hierarchy.

Unharvested fruit:

Valuation technique and significant inputs

The fair value of avocado, citrus and macadamias growing on the bearer plants is determined by reference to market prices for local, export and reject classes, adjusted for expected costs to reach maturity, which is typically one to three months after the end of the reporting period. Significant estimates include the expected agricultural produce yields and quality, and the expected market price.

Cost

Avocados, citrus and macadamias growing on bearer plants are accounted for as biological assets until the point of harvest. Biological assets are measured on initial recognition and at the end of each reporting period at fair value less costs to sell at the point of harvest. A gain or loss arising on initial recognition of agricultural produce at fair value less costs to sell is included in operating profit or loss, in the cost of sales line item, for the period in which it arises as a fair value adjustment. Any fair value adjustments subsequent to initial recognition will be included in operating profit or loss, in the cost of sales line item, for the period.

Harvest and transfer to inventories

Harvested produce are transferred to inventory (refer to note 11) at fair value less cost to sell at the point of harvest.

The unharvested fruit biological assets have been classified as a Level 3 in the fair value hierarchy.

Classification as current / non-current

Biological assets expected to be harvested within 12 months after the reporting date, are classified as current and all others are classified as non-current.

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Biological assets continued...*

6.1 Reconciliation of changes in biological assets

	Unharvested fruit	Pine and Eucalyptus plantations	Total
Reconciliation for the year ended 30 June 2025 - Group			
Opening balance	11 029	2 710 081	2 721 110
Movements for the year ended 30 June 2025			
Purchase of biological assets	-	53 274	53 274
Establishment cost	-	38 853	38 853
<i>Fair value adjustment</i>			
• Change in fair value of avocados, citrus and macadamias due to growth	7 425	-	7 425
• Change in fair value of avocados, macadamias and citrus due to harvesting	(11 029)	-	(11 029)
• Increase due to growth and enumerations(1)	-	334 758	334 758
• Decrease due to harvesting	-	(232 394)	(232 394)
• Adjustment to timber values due to sales price, cost and discount rate assumptions(2)	-	336 650	336 650
Biological assets at the end of the year	7 425	3 241 222	3 248 647
Classified as non-current assets	-	2 779 622	2 779 622
Classified as current assets (3)	7 425	461 600	469 025
	7 425	3 241 222	3 248 647
	Unharvested fruit	Pine and Eucalyptus plantations (Restated*)	Total
Reconciliation for the year 30 June 2024 - Group			
Opening balance	7 063	2 529 202	2 536 265
Movements for the year ended 30 June 2024			
Establishment cost	-	34 243	34 243
<i>Fair value adjustment</i>			
• Change in fair value of avocados and macadamias due to growth	11 029	-	11 029
• Change in fair value of avocados and macadamias due to harvesting	(7 063)	-	(7 063)
• Increase due to growth and enumeration (1)	-	313 725	313 725
• Decrease due to harvesting and disposals	-	(251 106)	(251 106)
• Adjustment to timber values due to sales price, cost and discount rate assumptions(2)	-	84 017	84 017
Biological assets at the end of the year (Restated*)	11 029	2 710 081	2 721 110
Classified as non-current assets	-	2 311 171	2 311 171
Classified as current assets (3)	11 029	398 910	409 939
	11 029	2 710 081	2 721 110

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Biological assets continued...*

(1) Enumerations refer to updates that are made to the merchandising model's data due to more accurate information being collected about the trees in the plantations. These are used to adjust the model's theoretical yields to actual yields and are done systematically over the life of the plantations.

(2) Being the movement after the increases in growth and enumerations and decreases due to harvesting from the opening balance value and consist of the impact of changes to the discount rate, log sales prices and operating costs from the prior year balance.

(3) The biological assets to be harvested and sold in the 12 months after year-end.

The net fair value movement for the year was a gain of R 435.4 million (2024: gain of R 150.6 million (Restated*)) included in cost of sales.

6.2 Change in discounted cash flow (DCF) attributable to Pine and Eucalyptus plantations:

	2025	2024 (Restated*)
Opening balance	2 710 081	2 529 202
Change in product mix and age (4) ^	182 222	257 090
Revenue and price (5) ^	247 746	(55 060)
Operating costs ^	(68 073)	(102 736)
Discount rate ^	100 605	188 352
Change in volume (6) ^	(23 486)	(141 010)
Establishment cost	38 853	34 243
Purchased plantations	53 274	-
	<u>3 241 222</u>	<u>2 710 081</u>

^ The total of these lines equals the fair value adjustment of the Pine and Eucalyptus plantations.

(4) Represents the cash flow profile change from the prior year yield forecast as a result of the change in the product mix and the age profile of the plantation biological assets.

(5) Revenue and price changes relate to inflationary adjustments over year one, year two and over the long term in the forecast period.

(6) Change in volume in the DCF model indicates changes in the forecast yield at maturity of planted trees. This is impacted by several factors including temporary unplanted hectares (TUP). The TUP increased by 694 hectares in 2025 (2024: increase of 299 hectares Restated*). The DCF volumes over the 20 to 23 year period increased from the prior year by 123 460m³ (2024: decrease of 1 282 700m³ Restated*). An accuracy factor is used to calculate the accounting estimated volume. This is a downwards adjustment of harvestable volume.

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Biological assets continued...*

6.3 Reconciliation of Pine and Eucalyptus standing volume (m³)

	2025	2024 (Restated*)
Opening balance	7 061 124	6 890 527
Increase due to growth, enumeration and purchased plantation (1)	1 044 563	854 708
Decrease due to harvesting and sales	(612 885)	(684 111)
	<u>7 492 802</u>	<u>7 061 124</u>

(1) Enumerations refer to updates that are made to the merchandising model's data due to more accurate information being collected about the trees in the plantations. These are used to adjust the model's theoretical yields to actual yields and are done systematically over the life of the plantations.

6.4 Landholding: (Hectares)

	2025	2024 (Restated*)
Pine	55 177	55 485
Eucalyptus	1 266	444
Temporary unplanted areas	3 528	2 834
Conservancy areas	31 090	30 701
Agricultural land	115	115
	<u>91 176</u>	<u>89 579</u>

6.5 Methodology and assumptions used in determining fair value

Pine and Eucalyptus plantations:

The key inputs into the DCF model are set out below.

The valuation is driven by the underlying volumes derived from the Microforest model and database. This model includes key assumptions such as stocking per hectare, diameter at breast height, basal area (function of diameter at breast height and trees per hectare, and is an indicator of stand density and level of site utilization) and growth curves. The model is continuously updated with actual data through enumerations. In 2024, the Escarpment plantation's data was refined and updated with LiDAR technology. The Group continues to enhance and refine the model with the use of better technology and specific research on species and climate change impacts.

Log Prices: Log prices per cubic metre and per log class are based on current and future expected market prices. Future prices were adjusted upwards for price increases with 2.5% over year one, 3% over year two and 4.5% over the long term (2024: 1.6% over year one, 1.5% over year two and 4.5% over the long term). It is expected that prices will increase below inflation as a result of the continued constrained lumber market.

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Biological assets continued...*

Operating costs: Costs include harvesting, maintenance and associated fixed overhead costs. No replanting and associated costs are included. The overhead costs are based on a unit cost on the remaining planted hectares, and are reduced over the discount period as the remaining planted hectares reduces. Future costs, other than electricity and wages, were adjusted upwards for inflation by 4.5% over year one, 4.5% over year two, and 4.5% over the long term (2024: 4.6% over year one, 4.5% over year two, and 4.5% over the long term). Electricity and wages were adjusted by 6.2% and 6% (2024: 12% and 5.9%).

Costs to sell: Costs to sell are the incremental costs directly attributable to the disposal of an asset, excluding finance costs and income taxes. Costs to sell include harvesting and short hauling costs to bring the timber to roadside. This forms part of the operating cost.

Discount rate: In determining the weighted average cost of capital ("WACC"), a comparable group of forestry companies' Beta is used to determine the Beta applied in the WACC. York applied the debt/equity ratio of market participants included in its comparable company basket.

Volumes and volume adjustment factor: The projected volumes from Microforest are risk-adjusted downwards by a weighted average of 1% (2024: 2%) based on the most recent actual yield reconciliation data to account for normal and abnormal deviations and operational losses. Risk-adjusted volumes at maturity can be analysed as follows:

Maturity volumes (m³):

	2025	2024 (Restated*)
Year		
Year one to five	3 798 301	3 703 967
Year six to ten	5 755 887	5 583 479
Year eleven to fifteen	5 938 339	5 816 102
Year sixteen and above	6 355 106	6 620 625
	<u>21 847 633</u>	<u>21 724 173</u>

Key assumptions used in the calculation of the discount rate

	2025	2024
Beta factor	1.04	0.97
Risk free rate (8)	9.96%	11.41%
Cost of equity (10)	17.16%	17.41%
Post-tax cost of debt	7.85%	8.58%
After-tax weighted average cost of capital	15.01%	15.43%
Debt/equity ratio (9)	23:77	22:78

(8) The GSAB10YR yield curve was used (2024: GSAB10YR yield curve).

(9) York applied a relevered Beta and a debt/equity ratio of the market participants included in its comparable company basket.

(10) The cost of equity incorporates a risk-free rate, equity market risk premium and company-specific risk adjustments to capture risks not reflected in market data, such as climate change.

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Biological assets continued...*

Unharvested fruit:

Prices: The fair value of avocado, citrus and macadamias growing on the bearer plants is determined by reference to market prices for local, export and reject classes adjusted for expected costs to reach maturity, which is typically one to three months after the end of the reporting period.

	2025	2024
Avocado	R1.53/kg to R11.28/kg	R1.54/kg to R25.75/kg
Macadamia	R38.19/kg	R31.86/kg
Citrus	R1.57/kg to R9.07/kg	R0.84/kg to R8.77/kg

Costs to sell: Costs to sell include packaging and harvesting costs.

	2025	2024
Avocado	R1.25/kg	R0.96/kg
Macadamia	R6.89/kg	R5.38/kg
Citrus	R0.54/kg	R0.74/kg

Volume: The agricultural produce volumes were reduced by a weighted average percentage as illustrated in the table below. These adjustments were based on the historical actual volumes harvested compared to estimated volumes and volume distribution between export, local and reject markets on the historical pack-out yields.

	2025	2024
Avocado	1%	1%
Macadamia	10%	11%
Citrus	1%	1%

Significant estimates include the expected agricultural produce yields and quality, and the expected market price.

During the year 1 851 tonnes (2024: 1 148 tonnes) of agricultural produce were harvested.

	2025 Tonnes	2024 Tonnes
Avocado	910	1 119
Macadamia	33	29
Citrus	908	-
	<u>1 851</u>	<u>1 148</u>

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Biological assets continued...*

Mature and immature bearer plants:

2025

Bearer plant	Mature bearer plants (Hectares)	Immature bearer plants (Hectares)	Total (Hectares)
Avocado	53	-	53
Macadamia	26	-	26
Citrus	38	60	98
	<u>117</u>	<u>60</u>	<u>177</u>

2024

Bearer plant	Mature bearer plants (Hectares)	Immature bearer plants (Hectares)	Total (Hectares)
Avocado	53	-	53
Macadamia	26	-	26
Citrus	38	60	98
	<u>117</u>	<u>60</u>	<u>177</u>

6.6 Risk exposure of plantation biological assets

The Group is exposed to a number of risks relevant to its plantations, namely:

Regulatory and environmental risk: The Group has established environmental policies and procedures aimed at compliance with environmental legislation. Management performs regular reviews to identify environmental risks and to ensure that the management systems in place are adequate. The Group manages its plantations in compliance with the International Forest Stewardship Council's (FSC) requirements for sustainable forestry.

Supply and demand risks: The Group is exposed to risks arising from fluctuations in the price and demand for log products. When possible, the Group manages these risks by aligning its harvest volumes to market demand. Management performs regular industry trend analyses to ensure that the Group's pricing structure is in line with the market and to ensure that projected harvest volumes are consistent with expected demand on a sustainable basis.

Climate and other risks: The Group's plantations are exposed to the risk of damage from climatic changes, diseases, forest fires and other natural forces. The Group has extensive processes in place aimed at monitoring and mitigating those risks. The Group subscribes to various national fire prevention associations which use differing weather conditions to indicate fire risk. The Group insures itself against natural disasters such as fires and floods (refer to note 9). The Group is mapping areas in terms of expected climatic conditions over York's landholdings and identifying suitable genetic material in response to climate change and pest tolerance. To address the climate change, the Group developed hybrid material that are more heat-tolerant and less dependent on water.

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Biological assets continued...*

6.7 Pledged as security

Landholdings amounting to 91 176 hectares (2024: 89 579 hectares) with biological assets valued at R3.2 billion (2024: R2.7 billion) were encumbered in favour of Micawber 558 Proprietary Limited as security for loans and borrowings as per note 17.

6.8 Sensitivity analysis

The sensitivity analysis below shows how the present value of the discounted cash flows would be affected if the key valuation parameters were attributed to other values than those that form the basis of the current valuation of the discounted cash flows. A decrease by the same percentage would have the opposite effect on the valuation.

Pine and Eucalyptus plantations:

	2025	2024 (Restated*)
100 basis point increase in the current log price	53 987	47 827
25 basis points increase in forecasted log prices (year 1 and 2 and long term)	100 686	91 553
25 basis point increase in the forecast cost inflation rate	(33 710)	(33 582)
50 basis points increase in the pre-tax cost of debt	(22 277)	(18 846)
25 basis points increase in the discount rate	(65 435)	(56 928)
100 basis points increase in projected volumes	43 927	38 280

Unharvested fruit:

100 basis point increase in market prices	84	119
25 basis point increase in harvesting cost	(2)	(2)
100 basis point increase in volumes	74	110

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7. Investments in subsidiaries (Company)

Investments in subsidiaries are carried at cost less accumulated impairment losses. The carrying amounts of such investments are reviewed annually for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised in profit or loss when the recoverable amount of the investment is less than its carrying amount.

7.1 The amounts included on the statements of financial position comprise the following:

Investments in subsidiaries	-	-	1 262 326	1 262 207
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7.2 Investments in subsidiaries

The following table lists the material entities which are controlled by the Group, either directly or indirectly through subsidiaries.

7.2.1 Details of the Group's material subsidiaries at the end of the reporting period are as follows:

Name of subsidiary	Principal activity	Place of incorporation and business
Global Forest Products Proprietary Limited	Currently dormant and not actively trading	South Africa
York Timbers Proprietary Limited [^]	Forestry and sawmilling	South Africa
Agentimber Proprietary Limited [^]	Warehousing and wholesale	South Africa
York Fleet Solutions Proprietary Limited [^]	Fleet management	South Africa
Mbulwa Estate Proprietary Limited [^]	Property holding used both as a conference venue and accommodation	South Africa
Sonrach Proprietary Limited [^]	Property holding used both as an office building and accommodation	South Africa
Stadsrivier Vallei Proprietary Limited [^]	Farming and packhouse	South Africa

[^] The Company has an indirect investment in these subsidiaries. All other investments are direct investments.

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Investments in subsidiaries (Company) continued...

7.2.2 Interest held in material subsidiaries

	Interest 2025	Carrying amount 2025	Interest 2024	Carrying amount 2024
Global Forest Products Proprietary Limited	100.00%	1 117 743	100.00%	1 117 743
York Timbers Proprietary Limited	100.00%	144 583	100.00%	144 464
Agentimber Proprietary Limited	100.00%	-	100.00%	-
York Fleet Solutions Proprietary Limited	100.00%	-	100.00%	-
Mbulwa Estate Proprietary Limited	100.00%	-	100.00%	-
Sonrach Proprietary Limited	100.00%	-	100.00%	-
Stadsrivier Vallei Proprietary Limited	100.00%	-	100.00%	-
		<u>1 262 326</u>		<u>1 262 207</u>

All of the companies are incorporated and domiciled in the Republic of South Africa.

8. Deferred tax* (Group)

* Refer to note 39 for details on the restatement.

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for the carry forward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised or to the extent of taxable temporary differences.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The deferred tax assets and the deferred tax liabilities relate to income tax in the same entity and jurisdiction, and the law allows net settlement. Therefore, they have been offset in the statement of financial position as follows:

8.1 The analysis of deferred tax assets and deferred tax liabilities is as follows:

	2025	2024 Restated*
Deferred tax assets	2 613	5 158
Deferred tax liability	(870 688)	(757 903)
Net deferred tax liabilities	<u>(868 075)</u>	<u>(752 745)</u>

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Deferred tax (Group) continued...*

	2025	2024 Restated*
Provisions, prepayments and deferred income	21 608	18 863
Estimated tax loss	45 120	39 774
Total deferred tax assets	66 728	58 637
Capital allowances	(66 210)	(72 606)
Biological assets	(864 812)	(734 700)
Defined benefit plan reserve and revaluation reserve	(3 781)	(4 076)
Total deferred tax liability	(934 803)	(811 382)
Net deferred tax liability	(868 075)	(752 745)

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Deferred tax* (Group) continued...

8.2 Deferred tax balances and movements - Group

	Balance as at 1 July 2024 Restated*	Increase in tax losses available for set-off against future taxable income [^]	Deductible temporary differences [^]	Changes to other comprehensive income	Prior year under provision [^]	Closing balance at 30 June 2025
Deferred tax	(752 745)	5 502	(123 122)	214	2 076	(868 075)
Total	(752 745)	5 502	(123 122)	214	2 076	(868 075)

	Balance as at 1 July 2023	Increase in tax losses available for set-off against future taxable income [^]	Taxable temporary differences [^]	Changes to other comprehensive income	Prior year under provision [^]	Closing balance at 30 June 2024 Restated*
Deferred tax	(731 131)	22 408	(42 018)	(432)	(1 572)	(752 745)
Total	(731 131)	22 408	(42 018)	(432)	(1 572)	(752 745)

[^] The total of these amounts equals the deferred tax movement in profit or loss in note 29.

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<i>Deferred tax* (Group) continued...</i>				
8.3 Deferred tax asset not recognised				
Assessed loss not recognised	27 578	6 651		
Potential tax benefit on assessed loss	7 446	1 796	-	-

9. Other financial assets

Contingency insurance fund

Classification of financial assets at amortised cost

The Group classifies its financial assets at amortised cost only if both of the following criteria are met:

- the assets are held to collect the contractual cash flow; and
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

Other financial assets comprise funds accumulated under a contingency insurance policy. These funds are invested in two Hollard-managed investment funds with a low-risk investment strategy. Investment returns are reinvested in the funds and accumulated over time. The fund balance is automatically rolled forward into each subsequent policy year.

The capacity target of the fund is reassessed annually to align with changes in insurance cover requirements. At year-end, the capacity target amounted to R227.2 million (2024: R197.9 million). The investments held by the Group expose it primarily to interest rate risk, as returns on the underlying funds are sensitive to changes in market interest rates. The Group’s exposure to market risk, credit risk and liquidity risk, together with the risk management processes and mitigation strategies, are disclosed in Note 35: Financial risk management.

Current/non-current classification

The contingency fund relates to two insurance policies. One policy is renewed annually with the other over a period beyond 12 months. The funds invested under the one year policy are classified as current.

Risk exposure

The investments held by the Group inherently expose it to interest rate risk. Refer to note 35: Financial risk management for details of risk exposure and the processes and policies adopted to mitigate these risks.

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Other financial assets continued...

Investment in shares

Classification of financial assets at fair value through profit or loss

The Group classifies the investment in equity instruments as financial assets in accordance with IFRS 9. The equity instruments are not held for trading and do not give rise to cash flows that are solely payments of principal and interest and are measured at fair value through profit or loss. Unlisted equity investments are measured at fair value at each reporting date. Changes in fair value are recognised directly in profit or loss.

The Group purchased 169 shares and holds a non-controlling equity interest in Westfalia Marketing Proprietary Limited, a South African-based unlisted fruit marketing and distribution company.

Dividends

Dividends are recognised in profit or loss when the right to receive payment is established, provided they are not a recovery of investment.

Derecognition

Upon derecognition of the equity instruments, any gain or loss realised will be recognised in profit or loss.

Fair value measurement

The fair value of the Westfalia shares is determined annually, in December, by an expert appointed by Westfalia.

The valuation technique used is classified as level 3.

Other financial assets incorporate the following balances:

Contingency insurance fund	138 908	132 558	-	-
Investment in shares	855	-	-	-
	139 763	132 558	-	-
Non-current assets	89 297	81 210	-	-
Current assets	50 466	51 348	-	-
	139 763	132 558	-	-

10. Loan to Group company (Company)

Loans to Group companies are measured, at initial recognition, at fair value and subsequently measured at amortised cost using the effective interest method.

The loans to Group companies are unsecured, bear no interest, and have a notice period of 367 days. The loan is amortised at a market related interest rate, being the prime interest rate in South Africa.

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Loan to Group company (Company) continued...

Impairment

The expected credit loss for the intercompany loan was assessed by taking into account macro-economic factors and the solvency and liquidity of the underlying subsidiary and no credit loss was deemed necessary. The underlying subsidiary's credit risk and the loss given default was taken into account after exclusion of the assets held as security for borrowings, and no impairment was necessary as the underlying subsidiary has sufficient assets to cover outstanding debt and therefore has no loss at default.

The subsidiary's credit risk improved during the year, evidenced by a decrease in its lending rates from Absa and Daimler.

The loan to York Timbers Proprietary Limited has been subordinated as security for the FMO borrowings as per note 17.

Loans receivable inherently expose the Company to credit risk, being the risk that the Company will incur financial loss if counterparties fail to make payments as they fall due. Refer to note 35 for details of risk exposure and the processes and policies adopted to mitigate these.

10.1 Loan to Group company (Company) comprises the following balances

York Timbers Proprietary Limited	-	-	1 418 844	1 405 551
Non-current assets	-	-	1 418 844	1 405 551
Current assets	-	-	-	-
	-	-	1 418 844	1 405 551

10.2 Face value of loan

York Timbers Proprietary Limited	-	-	1 580 775	1 581 786
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11. Inventories

Raw materials, work in progress and finished goods of timber, timber related products and consumable stores are measured at the lower of cost and net realisable value. The cost of timber and timber related products is based on the weighted average method.

The cost of harvested timber (included in raw materials) is its fair value less estimated point of sale costs at the date of harvest, based on the previous biological asset valuation performed, determined in accordance with the accounting policy for biological assets. Any change in value at the date of harvest is recognised in profit or loss. The harvested timber is carried at roadside prices which include transport cost up to roadside. The ageing of logs is used to determine whether the logs should be written off. Logs older than 20 weeks are written off.

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Inventories continued...

When inventories are sold, the carrying amount of those inventories are recognised as an expense in the cost of sales line item in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense, in the cost of sales line item, in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

11.1 Inventories comprise:

Raw materials	31 013	47 742	-	-
Consumables	69 600	60 389	-	-
Work in progress	86 064	72 849	-	-
Timber products	155 702	139 578	-	-
Agricultural produce	3 561	2 463	-	-
Provision for write downs	(8 421)	(8 146)	-	-
	337 519	314 875	-	-

The total movement in cost of sales regarding inventory write downs was a loss of R0.3 million (2024: loss of R5 million). Inventory recognised as an expense in cost of sales was R1 463 million (2024: R1 138 million).

11.2 Finished goods at net realisable value

Finished goods	43 238	22 512	-	-
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12. Trade and other receivables

Trade and other receivables, excluding, when applicable, value added tax and prepayments, are classified as financial assets initially measured at fair value plus directly attributable transaction cost and subsequently measured at amortised cost in terms of IFRS 9.

Trade receivables inherently expose the Group and Company to credit risk, being the risk that the Group and Company will incur financial loss if customers fail to make payments as they fall due. Refer to note 35 for details of risk exposure and the processes and policies adopted to mitigate risks.

The company calculated the expected credit loss under the simplified approach using a provision matrix. The expected credit loss is calculated by applying an expected loss ratio to each age receivable group. In the current year, trade receivables are segmented into the following categories based on shared credit risk characteristics:

- Independent customers (smaller or privately owned businesses); and
- Corporate customers (large, corporate, well-capitalised organisations)

Refer to note 35.2.2 for details on the expected credit loss.

Derecognition

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Trade and other receivables continued...

Any gains or losses arising on the derecognition of trade and other receivables is included in profit or loss.

12.1 Trade and other receivables comprise:

Trade receivables	228 158	209 599	178	178
Trade receivables impairment	(13 187)	(8 630)	(178)	(178)
Trade receivables - net	214 971	200 969	-	-
Other receivables	7 988	5 968	-	-
Prepaid expenses	22 292	21 318	289	269
Deposits	9 682	10 348	-	-
Employee costs in advance	2 291	2 413	-	-
Value added tax	6 507	2 518	152	-
Total trade and other receivables	263 731	243 534	441	269

12.2 Items included in Trade and other receivables not classified as financial instruments

Prepaid expenses	22 292	21 318	289	269
Value added tax	6 507	2 518	152	-
Employee costs in advance	2 291	2 413	-	-
Total non-financial instruments included in trade and other receivables	31 090	26 249	441	269
Financial assets included in trade and other receivables	232 641	217 285	-	-
Total trade and other receivables	263 731	243 534	441	269

12.3 Movements in impairment of trade and other receivables are as follows:

At the beginning of the year	8 630	7 243	178	178
Remeasurement of loss allowance	4 775	2 100	-	-
Bad debt written off	(218)	(713)	-	-
At the end of the year	13 187	8 630	178	178

12.4 Trade and other receivables pledged as security

At year-end, trade receivables and Credit Guarantee Insurance Corporation of Africa Limited (CGIC) insurance had been ceded to Absa Bank as security for the IMX banking facility (refer to note 17). The amount of trade receivables that has been pledged as security was R212.5 million (2024: R194.7 million).

Refer to note 35 for details on credit risk.

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13. Cash and cash equivalents

Cash and cash equivalents are classified as financial assets and initially measured at fair value and subsequently measured at amortised cost in terms of IFRS 9 and comprise cash on hand, bank balances and money market deposits.

Cash and cash equivalents included in current assets:

Cash

Cash on hand	91	135	-	-
Balances with banks	15 757	38 625	-	1
Money market deposits	13 188	18 179	-	-
	29 036	56 939	-	1

The carrying amount reasonably approximates its fair value.

14. Issued capital

Ordinary share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

No movement of shares occurred in the current financial period. All issued shares are paid in full.

A total of 9.7 million shares (2024: 10.3 million shares) were held by a subsidiary at 30 June 2025 and are treated as treasury shares for accounting purposes. The treasury shares decreased in the current year due to shares transferred to qualifying employees in terms of the share based payment scheme that vested in the current year.

Authorised and issued share capital

Authorised (R'000)

600 000 000 ordinary shares of R0.05 each	30 000	30 000	30 000	30 000
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Issued (R'000)

474 097 739 (2024: 474 097 739) ordinary shares	23 705	23 705	23 705	23 705
9 709 026 (2024: 10 344 355) treasury shares	(485)	(517)	-	-
Rights issue cost	(6 006)	(6 006)	(6 006)	(6 006)
	17 214	17 182	17 699	17 699
Exercise of options	2 332	-	3 038	-
Share premium	1 718 488	1 718 488	1 755 728	1 755 728
	1 738 034	1 735 670	1 776 465	1 773 427

All issued shares are paid in full.

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Issued capital continued...				
Share reconciliation - number of shares ('000)				
Shares outstanding - beginning of the period	463 753	463 753	474 098	474 098
Exercise of options	635	-	-	-
Shares outstanding - closing	464 388	463 753	474 098	474 098

15. Share-based payment

Share-based payment

The Group had an equity settled incentive scheme for its senior employees.

The grant date fair value of options allocated to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees become unconditionally entitled to the options. The amount recognised as an expense is adjusted to reflect the actual number of share options that vest.

The fair value of the options is estimated at grant date using the binomial pricing model, taking into account the terms and conditions upon which the instruments were granted. The grant date fair value was deemed to be equal to the share price at award date.

The share-based payment scheme vested in the current year with 635 329 shares transferred to the qualifying employees.

Share based payment reserve

Opening balance	2 919	2 164	2 919	2 164
Share-based payment movement	(2 919)	755	(2 919)	755
Total reserves	-	2 919	-	2 919

During the year ended 30 June 2025, the Company did not have any share based payment schemes (2024: one scheme). The detail of the scheme that existed in the prior year is listed below.

Key assumptions used in 2022 award

York share price at reporting date	-	R1.71	-	R1.71
Number of shares awarded	-	1 300 000	-	1 300 000
Award date	-	12/08/2021	-	12/08/2021
Expiry / vesting date	-	12/08/2024	-	12/08/2024
Fair value of options at grant date	-	R3.32	-	R3.32
Exercise price	-	R0.00	-	R0.00
Expected vesting rate	-	70.40%	-	70.40%
Vesting conditions	-	Three years' service	-	Three years' service

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<i>Share-based payment continued...</i>				
Unit reconciliation				
Opening balance	1 300 000	1 300 000	1 300 000	1 300 000
Units vested	(1 300 000)	-	(1 300 000)	-
Closing balance	-	1 300 000	-	1 300 000

16. Provisions

Restructuring provision

A provision for restructuring is recognised when the Group has established a detailed plan and either implementation has begun or the main features of the plan have been communicated to the parties involved. Restructuring costs include the costs for personnel reductions. The restructuring provision of R3 million pertains to the re-organisation of operations at the Sabie sawmill, undertaken as part of a strategic rebalancing initiative aimed at enhancing operational efficiency and optimising workforce allocation in line with business requirements. The restructuring process is expected to be finalised within the next 12 months. The impact of discounting was assessed as immaterial.

Environmental rehabilitation provision

The provision arose from a previous business combination. It comprised contingent amounts assessed at the date of the transaction. At each financial period-end, the amount is re-assessed. The expected timing of the outflow of economic benefits is estimated to be during the next two to five years. The remaining provision relates to requirements to meet environmental legislation.

Retirement plan contribution provision

The provision relates to company contributions and interest to one of the Group's provident funds. The Group and its legal advisors continue to work with the fund, as instructed by the court to come to an agreement on the amount payable by York.

16.1 Provisions comprise:

Environmental rehabilitation	7 103	6 778	-	-
Non-current portion	7 103	6 778	-	-
Retirement plan contribution provision	15 000	8 270	-	-
Restructuring provision	3 158	6 133	-	-
Current portion	18 158	14 403	-	-
	25 261	21 181	-	-

16.2 Provisions

	Environmental rehabilitation	Restructuring	Retirement plan contribution provision	Total
Balance at 1 July 2024 - Group	6 778	6 133	8 270	21 181
Net movement	325	(2 975)	6 730	4 080
Balance at 30 June 2025	7 103	3 158	15 000	25 261

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<i>Provisions continued...</i>				
	Environmental rehabilitation	Restructuring	Retirement plan contribution provision	Total
Balance at 1 July 2023 - Group	18 518	2 656	-	21 174
Net movement	(11 740)	3 477	8 270	7
Balance at 30 June 2024	6 778	6 133	8 270	21 181

17. Borrowings

Borrowings are recognised when the Group becomes a party to the contractual provisions of the loan. They are subsequently measured at amortised cost using the effective interest rate method. Borrowings are measured at initial recognition at fair value less transaction cost.

Interest expense, calculated on the effective interest method, is included in profit or loss in finance costs (note 28). Loan raising fees are amortised using the effective interest rate method over the term of the associated loan.

17.1 Borrowings comprise:

Nederlandse Financierings-Maatschappij Voor Ontwikkelingslanden N.V. (FMO)	397 426	280 776	-	-
Absa Capital fund loan	2 275	3 602	-	-
Instalment sale agreements	118 082	109 935	-	-
Absa IMX facility	85 616	83 622	-	-
Loan raising fee	(13 814)	(14 525)	-	-
	589 585	463 410	-	-
Non-current portion of borrowings	459 521	345 123	-	-
Current portion of borrowings	130 064	118 287	-	-
	589 585	463 410	-	-

The carrying amounts reasonably approximate its fair value.

17.2 Terms of the aforementioned loans

Absa IMX facility: The IMX facility is a receivable finance facility provided by Absa bank. Absa purchases the right to receive payments from certain qualifying debtors and in return advance up to 85% of the value of debtors' invoices. Absa has full recourse on amounts advanced when a debtor does not settle its accounts by the due date, normally 30 days.

At year-end, the IMX facility granted by Absa Bank is secured by a cession of a clearing account held with Absa bank and cession of trade receivables with a maximum exposure limit of R175 million, and Credit Guarantee Insurance Corporation of Africa Ltd (CGIC) insurance (refer note 12). The IMX facility bears interest at the prime interest rate less 35 basis points (2024: prime interest rate) on the utilised amount. This facility is available to all companies in the Group. The availability of the Absa invoice discounting facility is limited to the lower of 85% of qualifying debtors or R175 million.

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Borrowings continued...

Absa Capital fund loan: This loan bears interest at an interest rate of prime less 0.75% (2024: prime less 0.75%) per annum and is payable in monthly instalments in arrears, over a period of 10 years, of which 1.5 years are remaining.

Loan raising fees: The loan raising fee is amortised over the period of the FMO loan using the effective interest rate method. The amortised amount is included in finance cost (refer note 28).

FMO: The Group has three facilities with FMO with the following terms:

- Facility A: The facility has a limit of R350 million, which is fully utilised, with interest charged at at the Johannesburg Interbank Average Rate (JIBAR) plus a margin of 3.38% currently at 10.67% with a repayment term of 9 years of which 7 years and 8 months are left and an initial capital repayment holiday up to 10 June 2027.
- Facility B: The facility has a limit of R56.3 million of which R26.3 million was utilised, with interest charged at JIBAR plus a margin of 3.30% and a basis swap spread and cost at funds spread, currently at 10.637% with a repayment term 9 years of which 7 years and 8 months are left and an initial capital repayment holiday up to 10 June 2027.
- Facility C: The facility has a limit of R18.8 million, which is fully utilised, with interest charged at JIBAR plus a margin of 3.30% and a basis swap spread, currently at 10.567% with a repayment term of 9 years of which 7 years and 8 months are left and an initial capital repayment holiday up to 10 June 2027.

The interest margin applied above JIBAR on the FMO facilities can be reduced by 50 basis points when the Group delivers two consecutive years of net profit after tax and has a net debt-to-EBITDA ratio of less than three times.

Refer to note 35 for details relating to the fair value of borrowings. Refer to note 34 for details on the covenant compliance.

17.3 Instalment sale agreement obligations

Present value of minimum instalment sale agreement payments

Within one year	54 122	43 793	-	-
Second to fifth year inclusive	83 192	89 416	-	-
Less: future finance charges	(19 232)	(23 274)	-	-
	<u>118 082</u>	<u>109 935</u>	<u>-</u>	<u>-</u>

These liabilities consist of 101 (2024: 80) instalment sale agreements, payable over a period of three to five years at effective interest rates of between 9.75% to 11.25% (2024: 10.75% to 12.25%) per annum. These liabilities are secured by plant and equipment and motor vehicles with a carrying value of R 128.7 million (2024: R 114.6 million), refer to note 5. These instalment sale agreements have no escalation clauses. Repayments are based on the outstanding debt at the prevailing interest rate.

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Borrowings continued...				
Present value of minimum instalment sale agreement payments				
Within one year	42 833	32 937	-	-
Second to fifth year inclusive	75 249	76 998	-	-
	<u>118 082</u>	<u>109 935</u>	<u>-</u>	<u>-</u>

17.4 Instalment sale providers

	2025	2025	2024	2024
	Number of instalment sales agreements	Interest rates	Number of instalment sales agreements	Interest rates
Absa Bank	70	9.75% - 11.25%	53	10.75% - 12.25%
Mercedes Finance / Daimler Truck	27	10.10%- 11.05%	20	11.25% - 12.05%
Toyota Finance	4	10.25%	7	10.75% - 11.25%
	<u>101</u>		<u>80</u>	

17.5 Security and subordination arrangements

Security over FMO debt:

- Security provided is held via a special purpose vehicle (SPV), Micawber 558 Proprietary Limited. All security provided for the facility is in favour of Micawber 558 Proprietary Limited, which in turn holds the security in favour of FMO.

Security provided for the FMO facility comprises:

- Mortgage bonds over certain land holdings and property of the Group in favour of Micawber 558 Proprietary Limited with a maximum value of R1.4 billion as continuing covering security and a further R250 million for contingent payments and costs over certain fixed property of the Group as per note 5;
- General notarial bonds in favour of Micawber 558 Proprietary Limited issued by certain subsidiaries of the Group to a value of R500 million as continuing security and a further R125 million as security for contingent payments and costs; and
- Ceded rights in and to certain insurance policies of the Group.

Further security provided to Absa Bank for the Group's general facilities includes:

- First covering mortgage bonds over certain land holdings and property of Stadsrivier Vallei Proprietary Limited with a maximum value of R150 million.
- Limited guarantee for R250 million by Stadsrivier Vallei Proprietary Limited over certain land holdings (not included as part of Micawber 558 Proprietary Limited's security).

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Borrowings continued...

The agreement with FMO contains the following subordinated arrangements:

To secure York Timbers' obligations under the FMO facility:

- Micawber 558 Proprietary Limited, acting as a Security SPV, has issued a guarantee in favour of the lenders. The Security SPV holds collateral and counter-indemnities from York Timbers Proprietary Limited to secure repayment of the guaranteed obligations.

In addition, in terms of a Subordination Agreement:

- Claims of Agentimber Proprietary Limited and York Fleet Solutions Proprietary Limited, together with York Timber Holdings Limited (the "Subordinated Creditors"), against York Timbers Proprietary Limited have been contractually subordinated to the claims of the lenders.
- Any amounts owing by York Timbers Proprietary Limited to the Subordinated Creditors may not be demanded or repaid until all obligations to the lenders under the Amended Term Facility Agreement have been unconditionally and irrevocably settled in full.

18. Lease liabilities

The lease liability is measured at the present value of the lease payments, discounted using the Group's incremental borrowing rate adjusted for asset-specific risk and the lease term. The lease liability is measured at amortised cost. The lease liability relates to the rental of office space, warehouses and forestry machinery.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Refer to note 5 for disclosure around the right-of-use assets, accumulated depreciation, impairment and depreciation and accounting policy, note 26 for short term leases and variable lease payments and note 28 for finance cost on lease liabilities.

18.1 Lease liabilities comprise:

Lease liability	22 678	21 924	-	-
Non-current liabilities	6 706	12 928	-	-
Current liabilities	15 972	8 996	-	-
	22 678	21 924	-	-

18.2 Contractual undiscounted cash flow

Less than one year	10 805	10 355	-	-
One to five years	7 034	13 763	-	-
	17 839	24 118	-	-

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Lease liabilities continued...

18.3 Assumptions used

Lease terms	1 - 5 years	3 - 5 years	-	-
Group's incremental borrowing rate	7% - 11.25%	7%-10%	-	-
Adjustment to asset specific risk - unsecured debt	0.25%	0.25%	-	-
Adjustment over the lease term	0.25%	0.25%	-	-
Effective interest rate	7.50% - 11.75%	7.5%-10.5%	-	-

19. Retirement benefit obligations

Defined benefit plan - Medical Scheme Contributions

The Group's policy is not to provide post-retirement medical aid benefits to its employees. However, a provision is made for a closed group of current and former employees in respect of legacy post-retirement medical scheme contribution subsidies. Independent actuaries determine the value of this obligation and the annual costs of the benefits. The assumptions used are consistent with those adopted by the actuaries in determining pension costs and in addition include long-term estimates of the increases in medical costs and appropriate discount rates. An actuarial valuation is performed annually on the plan. The closing balance of the plan is the present value of the defined benefit obligation and is wholly unfunded. There is no asset-funding plan in place.

Re-measurements of the net defined benefit liability, which comprise actuarial gains and losses, are recognised immediately in other comprehensive income. The Group determines the net interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss. The projected unit credit method is used to measure obligations.

19.1 Post Retirement Medical Scheme contribution subsidies

19.1.1 The movement in the liability over the year is as follows:

Opening balance	26 438	26 429	-	-
Interest cost	3 252	3 409	-	-
Actuarial loss / (gain)	793	(678)	-	-
Benefits paid	(3 116)	(2 722)	-	-
Closing balance	27 367	26 438	-	-
Included in non-current liabilities	24 266	23 526	-	-
Included in current liabilities	3 101	2 912	-	-
	27 367	26 438	-	-

The closing balance is the present value of the defined benefit obligation and is wholly unfunded. There is no asset-funding plan in place.

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Retirement benefit obligations continued...

Actuarial gains and losses arising from changes in demographic assumptions

The actuarial loss for the current year consists of two factors, demographic and financial. The demographic factors contributed a loss of R 1 million (2024: loss of R 0.2 million) and the financial factors a gain of R 0.3 million (2024: gain of R 0.8 million).

19.1.2 Actuarial assumptions

The significant actuarial assumptions were as follows:

Number of retired members	33	34	-	-
Average expected discounted duration of the scheme for pensioners (years)	6.8	7	-	-
Discount rate (estimated corporate bond yield)	11.30%	12.30%	-	-
Medical contribution inflation rate	9.30%	10.30%	-	-

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Assumed healthcare cost trend rates have a significant effect on the amount recognised in profit and loss. A 1% increase in the medical inflation rate would have the following effects:

A 1% increase in the medical inflation rate would have the following effects:

100 basis points increase: Increase in aggregate of the service cost and interest cost	219	79	-	-
100 basis points increase: Increase in defined benefit obligation	1 939	1 920	-	-

A 1% change in the investment discount rate would have the following effects:

100 basis points increase: Increase in aggregate of the service cost and interest cost	65	116	-	-
100 basis points increase: Decrease in defined benefit obligation	(1 695)	(1 676)	-	-

The limitations that apply to the valuation's assumptions and methodology also apply to the sensitivity analysis. Furthermore, add that the sensitivity analysis changes a single variable without considering the impact of the change on other variables. The individual assumptions of the discount rate and healthcare inflation are less important than the gap between them. It is also important to recognise that the assumptions chosen are assumed to prevail over the long term based on market conditions at the time, whereas short-term fluctuations occur. A decrease by the same percentage would have the opposite effect on the valuation.

Contributions towards defined benefit plan	3 116	2 784	-	-
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Retirement benefit obligations continued...

19.2 Future cash flow impact

Below is the undiscounted maturity analysis of the retirement benefit obligation. The weighted average duration for pensioners in payment is 15.4 years (2024: 17 years).

19.2.1 Expected maturity analysis of undiscounted post-employment medical benefits:

	Less than a year	1 to 2 years	2 to 5 years	More than 5 years
Year ended 30 June 2025 - Group				
Post-retirement medical benefits	3 233	3 354	10 592	73 447
Year ended 30 June 2024 - Group				
Post-retirement medical benefits	3 030	3 186	10 357	89 613

19.3 Defined contribution plan

The Group has three provident fund schemes, York Timbers Provident Fund, Alexander Forbes Provident Fund and the Hospitality and General Provident Fund, for all employees. The Group also has an Alexander Forbes Pension Fund.

The number of members at year end:

Hospitality and General Provident Fund	73	87	-	-
York Timbers Provident Fund	1 486	1 391	-	-
Alexander Forbes Provident Fund	379	286	-	-
Alexander Forbes Pension Fund	7	7	-	-

20. Trade and other payables

Trade and other payables, excluding VAT, payroll-related accruals and amounts received in advance, are classified as financial liabilities, when the Group and Company becomes a party to the contractual provisions and are measured, at initial recognition, at fair value plus transaction cost, if any. They are subsequently measured at amortised cost using the effective interest rate method in terms of IFRS 9.

Trade and other payables expose the Group and Company to liquidity risk and possibly to interest rate risk. Refer to note 35 for details of risk exposure and management thereof.

The accrual for employee entitlements to wages, salaries and annual leave represent the amount which the Group and Company has a present obligation to pay as a result of employees' services provided up to the reporting date. The provisions have been calculated at undiscounted amounts based on expected wage and salary rates.

The carrying amounts of trade and other payables are considered to be the same as their fair values due to their short term nature.

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Trade and other payables continued...

20.1 Trade and other payables comprise:

Trade payables	280 196	260 163	535	958
Income received in advance	315	-	-	-
Deposits received	311	439	-	-
Accruals	52 498	52 617	631	1 007
Payroll-related accruals	40 724	35 248	-	-
Other payables	4 489	5 156	-	-
Value added tax	-	-	-	43
Total trade and other payables	378 533	353 623	1 166	2 008

20.2 Items included in trade and other payables not classified as financial liabilities

Income received in advance	315	-	-	-
Value added tax	-	-	-	43
Payroll-related accruals	40 724	35 248	-	-
Total non-financial liabilities included in trade and other payables	41 039	35 248	-	43
Financial liabilities included in trade and other payables	337 494	318 375	1 166	1 965
Total trade and other payables	378 533	353 623	1 166	2 008

21. Commitments

Authorised capital expenditure

Property, plant and equipment and biological assets

Not yet contracted for and authorised by directors	5 788	39 229	-	-
Already contracted for but not provided for	7 599	73 778	-	-

This committed expenditure will be financed through existing cash resources, available loan facilities and funds generated internally.

Capital commitments are based on capital projects approved at year-end, and the budget approved by the Board. Major capital projects require further approval before they commence.

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22. Revenue

The Group recognises revenue from the following major sources:

- Sale of logs
- Sale of timber products
- Wood chip sales
- Sale of nuts and fruit
- Income from fruit packing

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control of a product or service to a customer.

Sale of logs

Revenue is recognised at a point in time for sale of logs.

Revenue is recognised when control of the goods has transferred, being at the point when the customer receives the goods. Payment of the transaction price is due immediately at the point the customer receives the goods or within 30 days for account holding customers. A receivable is recognised for account holding customers. No financing element is recognised as the payment terms are within 30 days.

Wood chip sales

Revenue is recognised when control of the goods has transferred, being at the point when the customer receives the goods. When the customer collects the goods at the company's premises control has passed to the customer and no risk remains with the Group. In instances where delivery is required, control passes when the customer receives the goods at their premises.

Payment of the transaction price is due immediately at the point the customer purchases the goods, or within 30 days for account holding customers. A receivable is recognised for account holding customers. No financing element is recognised as the payment terms are within 30 days.

Sale of timber products (plywood and lumber sales)

Revenue is recognised at a point in time for local and export sales of timber products and includes the sales of timber and transport income.

Following delivery, the customer has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility of selling the goods and bears the risks of obsolescence and loss in relation to the goods. A receivable is recognised by the Group when the goods are delivered to the customer as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due. No element of financing is deemed present as the sales are made with a credit term of 30 days, which is consistent with market practice. In some instances, the customer requires the Group to arrange transport with the sale of goods. The performance obligation on the sale of goods is then satisfied when the goods are delivered to the customer.

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Revenue continued...

Revenue is deferred when performance obligations have not been satisfied. This is mostly for export sales where the International Commercial Terms are used to determine when performance obligations have been satisfied.

Sale of nuts and fruits

Revenue is recognised at a point in time for sales of nuts and fruit.

For the sale of fruit, the final packed produce is sent to the marketing and distribution agent (Agent) for local and export consumers. The title of the produce remains with the Group until the final payment for the product has been received by the Agent and the risk in the produce will only pass to the end consumer on the sale between the Agent and end consumer.

Deferred revenue is recognised for produce where the Group has received partial payment for the produce from the Agent.

For the sale of nuts revenue is recognised when the nuts are delivered to the customer.

Income from fruit packing

Revenue derived from fruit packing services rendered is recognised when the goods are packed, at a point in time, and is based on the pack out distribution of the produce delivered by the grower.

Administration and management fees

The Company earns recoveries from subsidiaries in respect of costs incurred on their behalf, including shared services, management fees, and other central expenses. Recoveries are recognised in profit or loss when the related costs are incurred and are presented as a separate line item within revenue.

22.1 Revenue comprises:

Sale of goods ^	1 979 537	1 724 819	-	-
Rendering of services	15 369	20 400	5 472	6 294
Total revenue	1 994 906	1 745 219	5 472	6 294

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Revenue continued...				
22.2 Disaggregation of revenue from contracts with customers:				
Sale of goods ^				
Fruit and nut sales	50 049	24 573	-	-
Log sales	207 025	154 194	-	-
Lumber sales ^	983 601	856 797	-	-
Wood chip sales and other revenue (1)	54 113	56 849	-	-
Plywood sales	684 749	632 406	-	-
	<u>1 979 537</u>	<u>1 724 819</u>	<u>-</u>	<u>-</u>
Rendering of services				
Accommodation income	169	363	-	-
Admin and management fees	-	-	5 472	6 294
Transport income	824	3 337	-	-
Income from fruit packed	14 376	16 700	-	-
	<u>15 369</u>	<u>20 400</u>	<u>5 472</u>	<u>6 294</u>
Total revenue	<u>1 994 906</u>	<u>1 745 219</u>	<u>5 472</u>	<u>6 294</u>

(1) Mainly consist of wood chip sales, sawdust and other ancillary sales.

22.3 Timing of revenue recognition

At a point in time				
Sale of goods ^	1 979 537	1 724 819	-	-
Rendering of services	15 200	20 037	5 472	6 294
	<u>1 994 737</u>	<u>1 744 856</u>	<u>5 472</u>	<u>6 294</u>
Over time				
Rendering of services - accommodation income	169	363	-	-
	<u>169</u>	<u>363</u>	<u>-</u>	<u>-</u>
Total revenue from contracts with customers	<u>1 994 906</u>	<u>1 745 219</u>	<u>5 472</u>	<u>6 294</u>

Refer to note 32 for revenue per geographical area.

^ R4.4 million of treated lumber sales was disclosed separately in the prior year, as treating income, and this year it is included as part of the sale of lumber products, as treated timber.

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23. Cost of sales				
Cost of sales comprise:				
Raw material, timber purchases and transport	794 488	653 776	-	-
Fair value adjustment on biological assets (Restated*)	(435 409)	(150 603)	-	-
Employee costs	323 188	302 490	-	-
Utilities	95 195	85 374	-	-
Depreciation	69 108	68 709	-	-
External log purchases	275 641	283 088	-	-
Total cost of sales	1 122 211	1 242 834	-	-

* Refer to note 39 for details on the restatement.

24. Other income

Other income comprises:

Scrap sales	961	856	-	-
Insurance income	2 242	4 976	-	-
Sundry income(1)	9 339	4 230	-	-
Bad debt recovered	127	148	-	-
Other rental income(2)	5 727	5 837	-	-
Total other income	18 396	16 047	-	-

(1) Sundry income relates to seedlings sold and income received for training programmes.

(2) Other rental income relates to income derived from rental income on Telecommunication infrastructure placed on the Group's property and other property rental.

25. Other gains

Transactions in foreign currencies are translated to the functional currency of the Group at the rate of exchange ruling on the transaction date.

Monetary assets and liabilities denominated in foreign currencies are retranslated to the functional currency at rates of exchange ruling at the reporting date (spot rate). Any foreign exchange differences are recognised in profit and loss in the year in which the difference occurs.

The foreign exchange gains/losses relate to certain engineering machinery and equipment purchased and plywood products imported, denominated in US Dollar (USD) and Euro, during the year. This exposed the Group to changes in the foreign exchange rates.

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Other gains continued...				
Other gains comprise:				
Gain on disposal of property, plant and equipment	9 389	254	-	-
Gain on foreign exchange differences	2 375	452	-	-
Total other gains	11 764	706	-	-

26. Profit / (loss) from operating activities

Profit / (loss) from operating activities includes the following separately disclosable items

Other operating expenses include:

Property plant and equipment				
- depreciation	28 894	30 154	-	-
- impairment loss	2 139	10 123	-	-
Intangible assets				
- amortisation	30	94	-	-
Right-of-use assets				
- depreciation	9 805	8 864	-	-
Other impairments				
- trade and other receivables	4 062	1 773	-	-
Utilities	20 765	23 135	-	-
Employee costs	124 282	135 310	-	-
Non-executive directors' remuneration	-	-	3 559	4 817
Share-based payments				
- equity-settled share-based payments	119	755	-	-
Insurance	47 369	46 023	-	-
Repairs and maintenance	14 738	12 503	-	-
Security	21 768	19 002	-	-
Roads	21 930	17 117	-	-
Other operating expenses	83 734	60 878	940	655
Short term leases	2 335	1 437	-	-
Admin and consultation fees	24 416	22 921	973	980
Auditors' remuneration - Deloitte: External audit	5 043	5 644	-	-
Auditors' remuneration - Deloitte: Other assurance and related services	135	125	-	-
Auditors' remuneration - A3ccube: Other assurance and related services	-	16	-	-
Total operating expenses	411 564	395 874	5 472	6 452

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27. Finance income

Group finance income comprises interest income on funds invested. In the Company, finance income relates to the amortisation of the interest-free inter-company loans in terms of IFRS 9 at an interest rate equal to the prime interest rate in South Africa.

Interest was generated from financial assets at amortised cost.

Interest income is recognised as it accrues, using the effective interest method.

Finance income comprises:

Financial assets	18 984	16 862	4	4
Group loans	-	-	14 303	-
Non-investment interest	127	-	-	-
Bank and other cash	426	-	-	-
Total finance income	19 537	16 862	14 307	4

28. Finance costs

Group finance costs comprise interest expense on borrowings, interest charged on trade payables, and interest expense on lease liabilities.

The Company's finance costs relate to the amortisation of the interest free intercompany loans in terms of IFRS 9 at an interest rate equal to the prime interest rate in South Africa.

Finance costs included in profit or loss:

Trade and other payables	428	593	-	-
Interest on borrowings held at amortised cost	72 673	54 829	-	-
Group loans	-	-	-	7 161
Lease liabilities	2 278	2 069	-	-
Loan raising fee - amortised	1 955	756	-	-
Total finance costs	77 334	58 247	-	7 161

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29. Income tax expense (Restated*)

Income tax expense for the year comprises current and deferred tax. Income tax expense is recognised in profit and loss.

29.1 Income tax recognised in profit or loss:

		Restated*		
Current tax				
Current year	(310)	66	-	-
Prior periods	1 721	502	-	-
Total current tax	1 411	568	-	-
Deferred tax				
Prior periods	(2 076)	1 572	-	-
Current year	117 621	19 609	-	-
Total deferred tax	115 545	21 181	-	-
Total income tax expense	116 956	21 749	-	-

*Refer to note 39 for details on the restatement of the 2024 figures.

29.2 The income tax for the year can be reconciled to accounting profit / (loss) as follows:

Profit / (loss) before tax from operations (Restated*)	433 494	81 879	14 307	(7 315)
Income tax calculated at 27.0%	27.00%	27.00%	27.00%	27.00%
Tax effect of				
Legal fees, fines and penalties	1.42%	4.53%	0.00%	0.00%
Learnership agreements	(1.32%)	(8.36%)	0.00%	0.00%
Assessed loss not recognised	0.08%	0.85%	(0.01%)	(0.57%)
Amortisation of intergroup loans	0.00%	0.00%	(26.99%)	(26.43%)
Prior year under provision	(0.20%)	2.54%	0.00%	0.00%
Effective tax rate	26.98%	26.56%	0.00%	0.00%
Taxation related to components of other comprehensive income				
Re-measurement of defined benefit liability	214	(435)	-	-

* Refer to note 39 for details on the restatement.

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30. Cash flows from operating activities (Restated*)

Profit / (loss) for the year	316 538	60 130	14 307	(7 315)
Adjustments for:				
Income tax expense	116 956	21 749	-	-
Finance income	(19 537)	(16 862)	(14 307)	(4)
Finance costs	77 334	58 247	-	7 161
Depreciation and amortisation expense	107 837	107 820	-	-
Impairment losses on property, plant and equipment	2 139	10 122	-	-
Share based payment expense: equity-settled	(554)	755	-	-
Fair value gains	(435 409)	(150 603)	-	-
Impairment of trade receivables and trade receivable claims	4 557	1 773	-	-
Gains on foreign exchange realised in profit or loss	(2 375)	(452)	-	-
Gains on disposal of non-current assets	(9 389)	(254)	-	-
Movement in retirement benefit liabilities	136	684	-	-
Change in operating assets and liabilities:				
Increase in inventories	(22 644)	(70 944)	-	-
Increase in trade accounts receivable	(18 559)	(16 522)	-	-
(Increase) / decrease in other operating receivables	1 588	14 363	(172)	(85)
Increase / (decrease) in trade accounts payable	20 035	(13 370)	(424)	239
Increase/(decrease) in other operating payables	4 878	21 726	(419)	-
Movement in provisions	4 080	7	-	-
Net cash flows from operations	147 611	28 369	(1 015)	(4)

* Refer to note 39 for details on the restatement of the 2024 fair value adjustment.

Borrowings

Opening balance	463 410	393 677		
<i>Cashflow movement:</i>				
Repayment of borrowings	(40 604)	(303 798)	-	-
Payment of loan raising fees	-	(14 525)	-	-
Proceeds from borrowings	118 025	289 977	-	-
<i>Non cashflow movements</i>				
Loan raising fee amortisation	711	756	-	-
New instalment agreements entered into	47 219	95 722	-	-
Interest accrued	824	1 601	-	-
Closing balance	589 585	463 410	-	-

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Figures in R `000	Group 2025	Group 2024	Company 2025	Company 2024
Cash flows from operating activities (Restated*) continued...				
Lease liabilities				
Opening balance	21 922	30 161		
<i>Cashflow movement:</i>				
Repayment of Leases	(13 685)	(10 306)	-	-
<i>Non cashflow movements</i>				
Interest accrued	2 278	2 067	-	-
Additions to lease liability	12 163	-	-	-
Closing balance	22 678	21 922	-	-

31. Income tax paid

Income tax paid

Amounts receivable at the beginning of the year	2 668	2 771	2	2
Amounts receivable/(payable) at the end of the year	5 346	(2 668)	(2)	(2)
Taxation credit	(116 956)	(21 749)	-	-
Less deferred tax included in taxation expense	115 545	21 181	-	-
	6 603	(465)	-	-

32. Segment information

The Group determines and presents operating segments based on the information that is internally provided to the Group's Chief Operating Decision-Maker (CODM) comprising senior management and Executive Committee members.

Segment results that are reported to the CODM include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets, head office expenses and income tax assets and liabilities.

Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment and intangible assets other than goodwill.

32.1 General information

The Group has four reportable segments which are the Group's strategic divisions. Management has identified the segments based on the internal reports reviewed monthly by the Group's CODM. The responsibility of the CODM is to assess performance and to make resource allocation decisions related to the individual operations of the Group. The segment financial information provided to and used by the CODM forms the basis of the segment disclosure in these audited consolidated and separate annual financial statements.

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Segment information continued...

The business is considered from an operating perspective based on the products cultivated or produced and sold. The reportable segments comprise:

- **Processing plants:** The Group has aggregated two divisions. These divisions produce timber-related products and have therefore been assessed as one segment by management. The divisions are:
 - ~ **Sawmilling:** Two sawmills located in close proximity to Sabie and Warburton that produce and sell a broad range of structural and industrial sawn timber products.
 - ~ **Plywood:** A plywood plant in Sabie that manufactures and sells plywood timber products.
- **Forestry and Fleet:** The Group owns plantations in the Mpumalanga province on which it grows pine and eucalyptus trees that are cultivated and managed on a rotational basis. The segment sells its products to the Processing segment and to external customers. Fleet Solutions owns heavy motor vehicles used to transport logs. The segment also includes a forestry mechanised harvesting division.
- **Wholesale:** The Group has five distribution centres located in Germiston, Polokwane, Gqeberha, Durban and Cape Town, that sell timber-related products from the sawmills, plywood plant and external suppliers. The Gqeberha warehouse closed in June 2025.
- **Agriculture:** The Group owns land with avocado, citrus and macadamia orchards and a fruit packing facility in the Mpumalanga province.

The Group's sales channels target both wholesale and retail markets in South Africa, countries in the Southern Africa Development Community (SADC) and non-SADC regions. Refer to the section on credit risk in note 35 for disclosure on major customers.

Performance in internal management reports is measured earnings before interest, taxation, depreciation, impairment and amortisation (EBITDA) and fair value adjustment on biological assets. Management believes that such information is the most relevant in evaluating the results of the segments relative to other entities that operate in the industry.

The amounts included in the internal management reports are measured in a manner consistent with the audited consolidated and separate annual financial statements.

The segment assets and liabilities are not separately disclosed as this information is not presented to the CODM. All non current assets owned by the Group are located in South Africa.

Transactions between segments are done at arm's length.

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Segment information continued...

32.2 Segment revenues

2025	Processing	Wholesale	Forestry and fleet	Agriculture	Total
Revenue: external sales					
• Lumber sales	705 240	278 357	-	4	983 601
• Plywood sales	569 111	115 638	-	-	684 749
• Fruit and nut sales	-	-	-	50 049	50 049
• Wood chip sales and other revenue	53 673	273	1	59	54 006
• Log sales (external)	-	-	207 025	-	207 025
• Transport income	-	-	824	-	824
• Income from fruit packed	-	-	-	14 376	14 376
Revenue: inter-segment sales	233 740	986	743 898	-	978 624
	<u>1 561 764</u>	<u>395 254</u>	<u>951 748</u>	<u>64 488</u>	<u>2 973 254</u>
Revenue by Geographical location					
• South Africa	976 850	368 442	207 850	41 394	1 594 536
• Southern Africa Development Community (SADC)	201 844	25 564	-	-	227 408
• International (Non-SADC)*	149 330	262	-	23 094	172 686
Revenue: inter-segment sales	233 740	986	743 898	-	978 624
	<u>1 561 764</u>	<u>395 254</u>	<u>951 748</u>	<u>64 488</u>	<u>2 973 254</u>

* International sales refer to plywood and fruit sales to Europe, Australia and New Zealand.

2024	Processing	Wholesale	Forestry and fleet	Agriculture	Total
Revenue: external sales					
• Lumber sales #	592 845	263 952	-	-	856 797
• Plywood sales	479 231	153 175	-	-	632 406
• Fruit and nut sales	-	-	-	24 573	24 573
• Wood chip sales and other revenue	55 568	994	4	92	56 658
• Log sales (external)	-	-	154 194	-	154 194
• Transport income	-	-	3 337	-	3 337
• Income from fruit packed	-	-	-	16 700	16 700
Revenue: inter-segment sales	314 715	532	695 300	-	1 010 547
	<u>1 442 359</u>	<u>418 653</u>	<u>852 835</u>	<u>41 365</u>	<u>2 755 212</u>

R4.4 million of treated lumber sales was disclosed separately in the prior year, as treating income, and this year it is included as part of the sale of lumber products, as treated timber.

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Segment information continued...

	Processing	Wholesale	Forestry and fleet	Agriculture	Total
Revenue by Geographical location					
• South Africa	854 273	383 681	157 535	35 314	1 430 803
• Southern Africa Development Community (SADC)	162 992	33 860	-	-	196 852
• International (Non-SADC)*	110 379	580	-	6 051	117 010
Revenue: inter-segment sales	314 715	532	695 300	-	1 010 547
	<u>1 442 359</u>	<u>418 653</u>	<u>852 835</u>	<u>41 365</u>	<u>2 755 212</u>

* International sales refer to plywood and fruit sales to Europe.

32.3 Material segment expenses

2025 ^	Processing	Wholesale	Forestry and fleet	Agriculture	Total
Depreciation, amortisation and impairment	64 184	9 459	30 232	3 066	106 941
Employment cost	259 415	11 006	101 187	15 714	387 322
Utilities	98 214	3 223	3 562	2 638	107 637
Fuel	20 382	3 317	27 251	1 092	52 042
Transport	105 006	6 438	53 001	3 415	167 860
External log purchases	-	-	275 641	-	275 641
Insurance	16 619	720	19 219	3 145	39 703
Purchases: Inter-segment	747 210	230 810	320	229	978 569
Harvesting cost	-	-	129 813	-	129 813
Silviculture and maintenance cost	-	-	41 339	-	41 339
Reportable segment profit #	21 804	14 329	122 078	4 803	163 014
Other non-cash item:					
• Fair value adjustment to biological assets					
included in cost of sales	-	-	429 184	6 225	435 409

^ The total of the expenses is material however the allocation to certain segments is immaterial and has been included for consistency. The Group has elected to provide additional disclosure in light of the IFRS Interpretations Committee (IFRIC) agenda decision.

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Segment information continued...

2024 [^]	Processing	Wholesale	Forestry and fleet	Agriculture	Total
Depreciation, amortisation and impairment	72 576	9 612	30 389	2 708	115 285
Employment cost	243 238	18 387	86 138	11 567	359 330
Utilities	90 084	4 059	3 134	2 250	99 527
Fuel	25 689	4 106	30 885	1 245	61 925
Transport	92 138	8 774	40 791	3	141 706
External log purchases	-	-	283 088	-	283 088
Insurance	25 232	1 485	26 220	2 786	55 723
Purchases: Inter-segment	695 441	314 918	-	3	1 010 362
Harvesting cost	-	-	104 974	-	104 974
Silviculture and maintenance cost	-	-	39 778	-	39 778
Reportable segment profit #	42 554	5 868	45 769	552	94 743
Other non-cash item:					
• Fair value adjustment to biological assets included in cost of sales (Restated*)	-	-	146 636	3 967	150 603

Being EBITDA and fair value adjustments on biological assets.

[^] The total of the expenses is material however the allocation to certain segments is immaterial and has been included for consistency. The segment information for the June 2024 reporting period has been presented in light of the guidance provided by the IFRIC final agenda decision relating to the IFRS 8 – “Operating Segments” on the disclosure of income and expense line items for reportable segments. The Group has elected to provide additional disclosure in light of the IFRIC agenda decision.

* Refer to note 39 for details on the restatement.

32.4 Segment assets

2025	Processing	Wholesale	Forestry and fleet	Agriculture	Total
Property, plant and equipment	501 050	17 609	267 337	90 388	876 384
Biological assets	-	-	3 241 222	7 425	3 248 647
Inventory	237 199	55 993	38 082	6 091	337 365
Capital expenditure	45 916	1 994	147 832	3 952	199 694

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Segment information continued...

2024

Property, plant and equipment	522 464	21 654	199 204	87 977	831 299
Biological assets (Restated*)	-	-	2 710 081	11 029	2 721 110
Inventory	198 482	67 581	44 147	4 470	314 680
Capital expenditure	71 632	124	67 636	5 915	145 307

* Refer to note 39 for details on the restatement.

32.5 Reconciliations (Group)

32.5.1 Revenue

	2025	2024
Total revenue for reportable segments	2 973 254	2 755 212
Non-reporting segment revenue	276	554
Elimination of reportable inter-segment revenue	(978 624)	(1 010 547)
Consolidated revenue	1 994 906	1 745 219

32.5.2 Operating profit

Total profit for reportable segments #	163 014	94 743
Depreciation and amortisation for reportable segment	(106 941)	(115 285)
Depreciation and amortisation and impairment for non reporting segments	(3 035)	(2 659)
Non-reporting segments (loss) / profit #	2 844	(4 138)
Fair value adjustment on biological assets (Restated*)	435 409	150 603
Operating profit	491 291	123 264

Being EBITDA and fair value adjustments on biological assets

* Refer to note 39 for details on the restatements

Refer to note 35 where sales to the three largest customers are disclosed. Refer also to note 26, where the components of operating profit or loss are disclosed.

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33. Related parties

33.1 Group companies

Subsidiaries	Agentimber Proprietary Limited Global Forest Products Proprietary Limited(1)(2) Mbulwa Estate Proprietary Limited Madiba Forest Products Proprietary Limited(2) Madiba Timbers Proprietary Limited(2) Nicholson and Mullin V2 Proprietary Limited(2) Sonrach Properties Proprietary Limited South African Plywood Proprietary Limited(1)(2) Stadsrivier Vallei Proprietary Limited York Carbon Proprietary Limited(2) York Power (RF) Proprietary Limited(2) York Fleet Solutions Proprietary Limited York Timbers Proprietary Limited York Timbers Energy (RF) Proprietary Limited(2) York Timbers Zambia Limited(2)
Other related entities	York Timbers Community Proprietary Limited(2) York Timber Staff Proprietary Limited(2)

(1) The Company has a direct investment in these companies. All other companies are indirect investments.

(2) These companies are dormant.

All of the companies are incorporated and domiciled in the Republic of South Africa, except for York Timbers Zambia Limited which is incorporated and domiciled in Zambia. The holdings in and voting power of York Timber Holdings Limited in all subsidiaries are 100%, except in York Carbon Limited, where it is 51%.

Transactions between York Timber Holdings Limited and the respective subsidiaries, which are related parties, have been eliminated on consolidation.

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Related parties continued...

33.2 Compensation paid to directors

2025					Total
Name	Emoluments	Bonus	Other benefits*	Director's fees	remuneration
PS Barnard	3 068	958	371	-	4 397
AW Brink	-	-	-	529	529
L Dhlamini	-	-	-	564	564
HM Mbanyele-Ntshinga	-	-	-	452	452
KM Nyanteh	-	-	-	622	622
N Siyotula (Chairperson)	-	-	-	1 069	1 069
AJ Solomons	-	-	-	333	333
GCD Stoltz	3 915	314	207	-	4 436
A van der Veen	-	-	-	414	414
A Zetler	-	-	-	422	422
Total compensation paid to directors and prescribed officers	6 983	1 272	578	4 405	13 238

2024					Total
Name	Emoluments	Bonus	Other benefits*	Director's fees	remuneration
PS Barnard	2 932	896	468	-	4 296
AW Brink	-	-	-	474	474
L Dhlamini	-	-	-	496	496
HM Mbanyele-Ntshinga	-	-	-	404	404
KM Nyanteh	-	-	-	556	556
N Siyotula (Chairperson)	-	-	-	955	955
AJ Solomons	-	-	-	293	293
GCD Stoltz	3 774	-	293	-	4 067
A van der Veen	-	-	-	404	404
A Zetler	-	-	-	378	378
Total compensation paid to directors and prescribed officers	6 706	896	761	3 960	12 323

* Other benefits relate to expense allowance and pension fund contributions.

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Related parties continued...

33.3 Related party transactions and balances (Company)

	York Timbers Proprietary Limited	Total
Year ended 30 June 2025		
Related party transactions		
Recoveries received	5 472	5 472
Finance income on inter-company loan	14 303	14 303
Outstanding loan accounts		
Amounts receivable	1 418 844	1 418 844
Year ended 30 June 2024		
Related party transactions		
Recoveries received	6 294	6 294
Finance cost on inter-company loan	(7 161)	(7 161)
Outstanding loan accounts		
Amounts receivable	1 405 551	1 405 551

The directors (A Zetler, A van der Veen, GCD Stoltz and PS Barnard) held 205 313 531 shares (2024: 205 256 427 shares) directly and indirectly in York Timber Holdings Limited.

34. Capital management

The Group and Company's objectives when managing capital are to safeguard the Group and Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the Group and Company consists of debt, which includes the borrowings disclosed in note 17, cash and cash equivalents disclosed in note 13, and equity as disclosed in the statement of financial position.

In order to maintain or adjust the capital structure, the Group and Company may return capital to shareholders, issue new shares or sell assets to reduce debt.

The capital structure and gearing ratio are managed at Group level. Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio percentage.

The Group has loans with FMO that are subject to covenants (current ratio, solvency ratio, net debt-to-EBITDA ratio and debt service coverage ratio) that are measured quarterly on a rolling 12-month basis. The Group met all covenants as at 30 June 2025 and during the year.

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Capital management continued...

Financial covenant	Required ratio	Actual ratio	Compliance
Current cover ratio	> 1.5	2.1	Yes
Solvency ratio	> 45%	61%	Yes
Net debt-to-EBITDA ratio	< 4	3.8	Yes
Debt service coverage ratio	>1	1.6	Yes

Gearing ratio

	2025	2024
Borrowings payable within one year	130 064	118 287
Borrowings repayable after one year	459 521	345 123
Lease liabilities	22 678	21 924
Cash and cash equivalent	(29 036)	(56 939)
Net debt	583 227	428 395

Equity (Restated*)	3 059 464	2 744 059
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Gearing ratio	19%	16%
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35. Financial risk management

Overview

The Group is exposed to the following risks from its use of financial instruments:

- Market risk {currency risk, interest rate risk and price risk};
- Credit risk; and
- Liquidity risk.

This note presents information about the Group and Company's financial risk management framework, objectives, policies and processes for measuring and managing risk, and its exposure to these financial risks. Furthermore, quantitative disclosures are included throughout the audited consolidated and separate annual financial statements.

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's executives are responsible for developing and monitoring the risk management policies. The executives report regularly to the Board of Directors on these activities.

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

The Board has a Risk and Opportunity Committee, which oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Risk and Opportunity Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures.

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Financial risk management continued...

The Group monitors its forecast financial position on a regular basis. The executives meet regularly and consider cash flow projections for the following 12 months in detail, taking into consideration the impact of market conditions.

The Group's objectives, policies and processes for managing risks arising from financial instruments have not changed from the previous reporting period.

The Group's forecasted financial risk position with respect to key financial objectives and compliance with treasury practice are regularly reported to the Board.

35.1 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices, will affect the Group and Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising returns.

35.1.1 Foreign exchange risk

The Group operates in three geographical segments, namely South Africa, countries within SADC and other international regions. All transactions with customers in the SADC countries are denominated in SA Rand and do not expose the Group to currency risks. Transactions with other countries are denominated in United States Dollar (USD), Euro and Great Britain Pound (GBP).

The Group sells to foreign customers in USD and Euro and collects the money in the USD and Euro denominated bank account. Future commitments as well as recognised assets and liabilities that are denominated in a currency that is not the functional currency expose the Group to currency risks. Most of the Group's purchases are denominated in SA Rand. However, certain engineering machinery and equipment was purchased and plywood products imported denominated in USD, Euro and GBP during the year. This exposed the Group to changes in the foreign exchange rates. Sales denominated in foreign currency provides a natural hedge to purchases denominated in foreign currency. An unrealised net loss of R 0.9 million (2024: net loss of R 0.2 million) and a realised foreign exchange gain of R 3.3 million (2024: gain of R 0.7 million) were realised during the year.

The Group's cash deposits are denominated in SA Rand, USD and Euros.

Exposure

The Group's exposure to foreign currency risk at the end of the reporting period, expressed in foreign currency, was as follows:

	US Dollar exposure	Euro exposure	GBP exposure
30 June 2025			
Trade receivables	126	176	-
Trade payables	(187)	(73)	-
Cash and cash equivalents	192	97	-

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Financial risk management continued...

30 June 2024	US Dollar exposure	Euro exposure	GBP exposure
Trade receivables	136	146	-
Trade payables	(6)	(458)	(5)
Cash and cash equivalents	277	41	-

Sensitivity

The following information presents the sensitivity of the Group to an increase or decrease in the respective currencies it is exposed to. The sensitivity rate is the rate used when reporting foreign currency risk internally to key management personnel and represents management’s assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated amounts and adjusts their translation at the reporting date. No changes were made to the methods and assumptions used in the preparation of the sensitivity analysis compared to the previous reporting period. The sensitivity analysis was calculated based on 1% higher and lower than the actual rate.

	Impact on post tax profit (Group)	
	2025	2024
South African Rand	45	20

35.1.2 Cash flow and fair value interest rate risk

Interest rate risk is the risk that the Group's financial position will be adversely affected by movements in interest rates.

Exposure

The Group's interest rate risk arises from both short-and long-term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk, while borrowings issued at fixed rates expose the Company to fair value interest rate risk. The Company does not have a policy to hedge long term interest rate risk. All debt is carried at variable interest rates.

There have been no significant changes in the interest rate risk management policies and processes since the prior reporting period.

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Financial risk management continued...

Sensitivity

The following sensitivity analysis has been prepared using a sensitivity rate which is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates. All other variables remain constant. The sensitivity analysis includes only loans held at the reporting date. No changes were made to the methods and assumptions used in the preparation of the sensitivity analysis compared to the previous reporting period. The sensitivity analysis was calculated based on 0.5% (2024: 1%) higher than the actual rate. A 0.5% interest rate sensitivity is considered sufficient as it reflects reasonable market fluctuations on historical rate volatility.

	Impact on post tax profit (Group)	
	2025	2024
Borrowings	2 560	3 581
Taxation	(691)	(967)

35.2 Credit risk

Credit risk is the risk of financial loss to the Group and Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's receivables from customer and investment securities.

Exposure is as follows:

Group	2025		2024	
	Gross carrying amount	Amortised cost	Gross carrying amount	Amortised cost
Other financial assets at amortised cost	139 763	139 763	132 558	132 558
Trade and other receivables	245 828	232 641	228 328	219 698
Cash and cash equivalents	29 036	29 036	56 939	56 939
	414 627	401 440	417 825	409 195

Company	2025		2024	
	Gross carrying amount	Amortised cost	Gross carrying amount	Amortised cost
Loans to Group companies	1 418 844	1 418 844	1 405 551	1 405 551
Trade and other receivables	178	-	178	-
Cash and cash equivalents	-	-	1	1
	1 419 022	1 418 844	1 405 730	1 405 552

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Financial risk management continued...

35.2.1 Risk management

Management has established a centralised receivables department and a credit policy. Under the credit policy, each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group's review includes external ratings, when available, and in some cases bank references. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer considering its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board.

The utilisation of credit limits is regularly monitored. Customers that fail to meet the Group's benchmark on creditworthiness may transact with the Group only on a prepayment basis. The Group does not require collateral in respect of trade and other receivables.

Credit guarantee insurance is purchased from Credit Guarantee Insurance Corporation of Africa Ltd (CGIC). The total credit limit guaranteed by CGIC is R100 million.

The Group has an invoice discounting facility with Absa Bank, secured by a cession of a clearing account held with Absa Bank and cession of trade receivables with a maximum exposure limit of R175 million, and CGIC insurance. This banking facility of R175 million is available to all companies in the Group.

Trade receivables comprise a widespread customer base. The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. Approximately 28% (2024: 26%) of the Group's revenue is attributable to sales transactions with three (2024: three) multi-national customers. The outstanding balance on these customers was approximately 30% (2024: 24%) of the trade receivables balance. These are customers of the processing plants and wholesale division. Refer to the table below for percentage of sales to three multi-national customers:

Customer	2025	2024
A	11%	11%
B	10%	8%
C	7%	7%
	28%	26%

The risk rating grade of cash and cash equivalents and the contingency insurance fund are set out below. Given these credit ratings, management does not expect any counterparty to fail to meet its obligations.

	Credit ratings of financial institution	Net cash equivalents and other financial assets at amortised cost	
		2025	2024
FirstRand Bank Limited	BB-	14 976	37 423
Absa Bank	AA+	13 969	19 382
The Hollard Insurance Group Limited (contingency insurance fund)	A	138 908	132 558
		167 853	189 363

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Financial risk management continued...

35.2.2 Impairment of financial assets

Trade receivables

The Group recognises a loss allowance for expected credit losses on trade and other receivables, excluding VAT, interest and prepayments. The amount of expected credit losses is updated at each reporting date.

The Group calculated the expected credit loss under the simplified approach using a provision matrix. The expected credit loss is calculated by applying an expected loss ratio to each age receivable group.

Normal trading terms are 30 days. Debtors' balances beyond trading terms, are issued a final demand notice, and if unsuccessful, handed over to a debt collector for non-CGIC insured debtors or handed over to CGIC for insured debtors.

A debtor is considered to be in default and is written off, once both York and/or CGIC have exhausted all avenues to recover the debt. This includes the issuance of final demands and subsequent legal action, should the final demand be unsuccessful. During the year, debtors to the value of R0.2 million (2024: R0.7 million) was written off.

Trade receivables are segmented into the following categories based on shared credit risk characteristics:

- Independent customers (smaller or privately owned businesses); and
- Corporate customers (large, corporate, well-capitalised organisations).

For current to 60 days outstanding receivables, the following credit loss ratios have been applied, informed by historical loss rates and adjusted for forward-looking information:

- Independent customers: 2.54% to 4.60% (2024: 2.4% to 2.17%); and
- Corporate customers: 0.97% to 0.93% (2024: 2.4% to 2.17%).

These ratios incorporate overlays to reflect forward-looking macroeconomic factors, including inflationary pressures and the broader economic outlook.

An additional overlay has been included to account for heightened future economic uncertainty:

- Independent customers: 0.40% (2024: 0.30%); and
- Corporate customers: 0.30% (2024: 0.30%).

For receivables aged over 90 days and covered by credit insurance, a default loss rate of 20% (2024: 20%) is applied, reflecting expected recoveries from insurance.

Receivables not covered by credit insurance are assessed on an individual basis, with expected credit losses determined based on the debtor's financial position, past payment history, information from debt collectors and observable market data.

The Company reviews the expected credit loss model and assumptions on a regular basis to ensure alignment with actual collection experience and evolving macroeconomic conditions.

Management assessed the probability - weighted expected credit loss on other receivables and concluded it is immaterial.

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Financial risk management continued...

On that basis, the loss allowance was determined as follows for trade receivables:

Group

30 June 2025

Independent customers	Current	30 days	60 days	90 days +	Total
Gross carrying amount - trade receivables	85 140	37 825	5 773	21 458	150 196
Loss allowance	(2 005)	(847)	(144)	(9 547)	(12 543)

Corporate customers

Gross carrying amount - trade receivables	70 263	7 305	318	76	77 962
Loss allowance	(581)	(59)	(3)	(1)	(644)

Segmentation was not done in the 2024 financial year.

30 June 2024

	Current	30 days	60 days	90 days +	Total
Gross carrying amount - trade receivables	138 577	44 970	12 666	13 386	209 599
Loss allowance	(3 287)	(1 052)	(293)	(3 998)	(8 630)

Company

30 June 2025

	Current	30 days	60 days	90 days +	Total
Gross carrying amount - trade receivables	-	-	-	178	178
Loss allowance	-	-	-	(178)	(178)

30 June 2024

	Current	30 days	60 days	90 days +	Total
Gross carrying amount - trade receivables	-	-	-	178	178
Loss allowance	-	-	-	(178)	(178)

35.3 Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting its obligations associated with its financial liabilities that are settled by delivering cash or other financial assets. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions without incurring unacceptable losses or risking damage to the Group's reputation.

Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate level of committed credit facilities. Due to the dynamic nature of the underlying businesses Group treasury maintains flexibility in funding by maintaining availability under committed credit lines.

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Financial risk management continued...

The Group's liquidity risk is a function of the funds available to cover future commitments. The Group manages liquidity risk through an on-going review of future commitments and credit facilities. Cash flow forecasts are prepared and adequate utilised borrowing facilities are maintained and monitored.

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts

The total facilities and guarantees available to the Group are as follows:

	2025		2024	
	Facility	Utilised	Facility	Utilised
Absa IMX facility / receivable finance facility	175 000	85 616	150 000	83 622
Guarantees	1 400	-	6 000	-
Letters of credit	1 000	-	1 000	-
Guarantees to Eskom Holdings Limited	708	-	708	-
Forward exchange contracts	1 000	-	1 000	-
Foreign Exchange settlement limit	5 000	-	5 000	-
Absa asset and vehicle finance facility	90 000	83 243	90 000	83 042
Daimler asset and vehicle finance facility	60 000	34 839	50 000	25 905
FMO facility	425 000	397 426	350 000	280 776

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Financial risk management continued...

35.3.1 Maturities of financial liabilities

The tables below analyse the Group's financial liabilities into relevant maturity groupings based on their contractual maturities for all non-derivative financial liabilities, which the contractual maturities are essential for an understanding of the timing of the cash flows.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Contractual maturities of financial liabilities Year ended 30 June 2025 - Group	Less than 6 months	Between 6 months and 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total contractual	
						cash flows	Carrying amount
Non-derivatives							
Trade and other payables excluding non-financial liabilities (Note 20)	337 494	-	-	-	-	337 494	337 494
Borrowings (Note 17)	107 971	22 184	60 125	292 595	211 649	694 524	485 317
Lease liabilities (Note 18)	5 715	5 090	6 018	1 016	-	17 839	22 678
Installment sale agreements (Note 17)	28 905	25 217	42 112	41 080	-	137 314	118 082
Total non-derivatives	480 085	52 491	108 255	334 691	211 649	1 187 171	963 571

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Financial risk management continued...

Year ended 30 June 2024 - Group

Non-derivatives

Trade and other payables excluding non-financial liabilities (Note 20)

Borrowings (Note 17)

Lease liabilities (Note 18)

Installment sale agreements (Note 17)

Total non-derivatives

	Less than 6 months	Between 6 months and 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total contractual cash flows	Carrying amount
Trade and other payables excluding non-financial liabilities (Note 20)	318 375	-	-	-	-	318 375	318 375
Borrowings (Note 17)	17 125	17 268	34 624	258 157	151 464	478 638	379 788
Lease liabilities (Note 18)	5 347	5 008	8 936	4 827	-	24 118	21 924
Installment sale agreements (Note 17)	23 205	20 588	38 586	50 830	-	133 209	83 622
Total non-derivatives	364 052	42 864	82 146	313 814	151 464	954 340	803 709

Contractual maturities of financial liabilities

Year ended 30 June 2025 - Company

Non-derivatives

Trade and other payables excluding non-financial liabilities (Note 20)

	Less than 6 months	Between 6 months and 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total contractual cash flows	Carrying amount
Trade and other payables excluding non-financial liabilities (Note 20)	1 166	-	-	-	-	1 166	1 168

Year ended 30 June 2024 - Company

Non-derivatives

Trade and other payables excluding non-financial liabilities (Note 20)

Trade and other payables excluding non-financial liabilities (Note 20)	1 965	-	-	-	-	1 965	1 966
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36. Events after the reporting date

The Group negotiated revised covenants under the FMO debt facility which will be in place from the first measurement period after year-end. Specifically, the net debt-to-EBITDA ratio was increased for the following five measurement periods, starting 30 September 2025.

The directors are not aware of any other matters or circumstances that arose since the end of the financial year to the date of this report that could have a material effect on the financial position of the Group and Company.

37. Going concern

The audited consolidated annual financial statements have been prepared based on accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The Group will commence harvesting its own trees in the Escarpment in 2026, consistent with the revised rotation plan. In the current year, R275.6million (2024: R283.1 million) was spent on external log purchases. The Group has the flexibility to increase the harvesting of its own plantations instead of procuring logs externally to manage liquidity.

The Group is in compliance with the financial covenants imposed by FMO under the Amended Facility Agreement at year-end. Looking ahead, covenants were revised after year end and the Group expects to comply with the covenants the covenants for the following 12-months, based on current projections.

The directors believe that the Group has adequate financial resources to continue in operation for the foreseeable future and accordingly the audited consolidated and separate annual financial statements have been prepared on a going concern basis.

The directors have satisfied themselves that the Group is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the Group. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the Group.

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Figures in R `000	Group 2025	Group 2024	Company 2025	Company 2024
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38. Earnings per share

38.1 Basic earnings per share (Restated*)

There was no share-based payment scheme in the current year. The bonus element on the share-based payment scheme had a dilutive effect on the prior year.

Basic earnings / (loss) earnings (cents)	68.19	12.97	3.02	(1.54)
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The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

Profit / (loss) for the year attributable to owners of the Company for continuing operations

316 538	60 130	14 307	(7 315)
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Weighted average number of ordinary shares used in the calculation of basic earnings per share

463 753	463 753	474 098	474 098
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Adjusted for:

Treasury shares utilised in settlement of vested share-based payments

472	-	-	-
464 225	463 753	474 098	474 098

38.2 Diluted earnings per share (Restated*)

Diluted basic earnings / (loss) earnings (cents)	68.19	12.94	3.02	(1.54)
--	-------	-------	------	--------

The earnings used in the calculation of diluted earnings per share are as follows:

Earnings / (loss) used in the calculation of basic earnings per share for continuing operations

316 538	60 130	14 307	(7 315)
---------	--------	--------	---------

The weighted average number of ordinary shares for the purpose of diluted earnings per share reconciles to the weighted average number of ordinary shares used in the calculation of basic earnings per share as follows:

Weighted average number of ordinary shares used in the calculation of basic earnings per share

464 225	463 753	474 098	474 098
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Adjusted for

Bonus element of share-based payment

-	1 025	-	1 025
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Weighted average number of ordinary shares used in the calculation of diluted earnings per share

464 225	464 778	474 098	475 123
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* Refer to note 39 for details on the restatement.

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Figures in R `000	Group 2025	Group 2024	Company 2025	Company 2024
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Earnings per share continued...

38.3 Headline earnings per share (Restated*)

There was no share-based payment scheme in the current year. The bonus element on the share-based payment scheme had a dilutive effect on the prior year.

Headline earnings / (loss) per share (cents) (Restated*)	66.69	13.74	3.02	(1.54)
Diluted headline earnings / (loss) per share (cents) (Restated*)	66.69	13.71	3.02	(1.54)

The earnings and weighted average number of ordinary shares used in the calculation of headline earnings per share are as follows:

Profit / (loss) for the year attributable to owners of the Company for continuing operations	316 538	60 130	14 307	(7 315)
Gain on sale of assets	(9 389)	(254)	-	-
Tax on loss on sale of assets	2 535	69	-	-
Impairment of property, plant and equipment	2 139	10 123	-	-
Tax on impairment of property, plant and equipment	(578)	(2 733)	-	-
Insurance payouts from loss of assets	(2 242)	(4 975)	-	-
Tax on insurance payouts from loss of assets	605	1 343	-	-
Earnings / (loss) used in the calculation of headline earnings / (loss) per share for continuing operations	309 608	63 702	14 307	(7 315)

* Refer to note 39 for detail on the restatement.

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Figures in R `000	Group 2025	Group 2024	Company 2025	Company 2024
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Earnings per share continued...

38.4 Core earnings / (loss) per share**

There was no share-based payment scheme in the current year. The bonus element on the share-based payment scheme had a dilutive effect on the prior year.

Core loss per share (cents)	(0.28)	(10.74)	3.02	(1.54)
Diluted core loss per share (cents)	(0.28)	(10.72)	3.02	(1.54)

The earnings and weighted average number of ordinary shares used in the calculation of headline earnings per share are as follows:

Core earnings per share are as follows: (Restated*)

Profit / (loss) for the year attributable to owners of the company for continuing operations	316 538	60 130	14 307	(7 315)
Fair value adjustment on biological assets	(435 409)	(150 603)	-	-
Tax on fair value adjustment on biological assets	117 560	40 663	-	-
(Loss) / earnings used in the calculation of core (loss) / earnings per share for continuing operations	(1 311)	(49 810)	14 307	(7 315)

* Refer to note 39 for detail on the restatement.

** Core earnings are defined as basic earnings adjusted for fair value adjustments on biological assets after taxation. This is a non-IFRS® measure.

39. Restatement and prior period error

Prior period error

In the prior year, enhancements to the plantation database incorporating Light Detection and Ranging (LiDAR) technology were incorrectly processed on Microforest due to human error. This error resulted in total maturity volumes decreasing by 512 784m³ from 22 236 957m³ to 21 724 173m³.

The correction of this error led to a net decrease of 4% (R104 million) in the carrying value of biological assets in the statement of financial position, together with a corresponding fair value adjustment recognised in the statement of profit or loss and other comprehensive income. The deferred tax liability was reduced by R28 million.

Change in presentation of finance income and finance cost in the statement of cash flows

In the current financial year, the Group and Company has changed their accounting policy on the presentation of finance income and finance cost in the statement of cash flows. Previously, finance income and finance cost were classified within operating activities. From the current year onward, finance income were presented within investing activities and finance cost in financing activities. The change in accounting policy was applied retrospectively.

This presentation aligns the finance cost and finance income with the Group and Company's investing and financing structures.

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Restatement and prior period error continued...

This change represents a reclassification in presentation under IAS 7 and does not constitute a change in accounting policy under IAS 8, as both presentations are permitted alternatives under IFRS Accounting Standards.

The comparative figures for the prior year have been restated to conform with the current year's presentation. The effect of the reclassification on the prior year's cash flow statement is disclosed below.

Group

	Balance previously stated R'000	Restatement R'000	Balance restated R'000
Statement of Financial Position			
Non-current assets			
Biological assets	2 413 641	(102 470)	2 311 171
Current assets			
Biological assets	411 500	(1 561)	409 939
Equity			
Retained income	(1 064 997)	75 942	(989 055)
Non-current liabilities			
Deferred tax liabilities	(785 991)	28 088	(757 903)
Statement of Profit or Loss and Other Comprehensive income			
Cost of sales	1 138 803	104 031	1 242 834
Income tax expense	49 838	(28 089)	21 749
Notes to the financial statements			
Basic earnings per share (cents per share)	29.34	(16.37)	12.97
Diluted earnings per share (cents per share)	29.28	(16.34)	12.94
Headline earnings per share (cents per share)	30.12	(16.38)	13.74
Diluted headline earnings per share (cents per share)	30.05	(16.34)	13.71
Statement of cash flows			
Interest paid	(53 821)	53 821	-
Interest received	16 862	(16 862)	-
Net cash flows from operating activities	(9 055)	36 959	27 904
Interest received	-	16 862	16 862
Cash flows used in investing activities	(87 726)	16 862	(70 864)
Interest paid	-	(53 821)	(53 821)
Cash flows used in financing activities	(38 652)	(53 821)	(92 473)

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<i>Restatement and prior period error continued...</i>				
Company		Balance previously stated R'000	Restatement R'000	Balance restated R'000
Statement of cash flows				
Interest received		4	(4)	-
Net cash flows from operating activities		-	(4)	(4)
Interest received		-	4	4
Cash flows used in investing activities		-	4	4