

York Timber Holdings Limited

(Registration Number 1916/004890/06)

**Audited Consolidated and Separate Annual Financial Statements
for the year ended 30 June 2026**

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 2026

Index

	Page
Directors' Responsibilities and Approval	2
Certificate by the Company Secretary	3
Report of the Audit Committee	4 - 6
Responsibility Statement by the Chief Executive Officer and interim Chief Financial Officer	7
Directors' Report	8 - 12
Independent Auditor's Report	13 - 16
Statements of Financial Position	17 - 18
Statements of Profit or Loss and Other Comprehensive Income	19 - 20
Statements of Changes in Equity - Group	21
Statements of Changes in Equity - Company	22
Statements of Cash Flows	23
Accounting Policies	24 - 26
Notes to the Consolidated and Separate Financial Statements	27 - 92

York Timber Holdings Limited

(Registration Number 1916/004890/06)

Audited Consolidated and Separate Annual Financial Statements for the year ended 30 June 2026

Directors' Responsibilities and Approval

The directors are required by the Companies Act, No. 71 of 2008, 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 regard to form and content and present fairly the consolidated and separate statement of financial position, results of operations and business of the Group, and explain the transactions and financial position of the business of the Group 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 that 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 on 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 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 annual financial statements support the viability of the Group.

The audited consolidated and separate financial statements have been audited by the independent auditing firm, Deloitte & Touche, who have 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 set out on pages 17 to 92 which have been prepared on the going concern basis, were approved by the directors on 22 September 2026 and were signed on 29 September 2026 on their behalf by:

Pieter Schalk Barnard

PS Barnard

Signed by:

Nomzuko Siyotula

D3A28606F7BA415...

N Siyotula

York Timber Holdings Limited

(Registration Number 1916/004890/06)

Audited Consolidated and Separate Annual Financial Statements for the year ended 30 June 2026

Certificate by the Company Secretary

In terms of section 88(2)(e) of the Companies Act, No. 71 of 2008, as amended (Companies Act), 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, with the Registrar of Companies for the financial year ended 30 June 2026 and that the returns are true, correct and up to date.

Kilgetty Statutory Services (SA)

Kilgetty Statutory Services (South Africa) Proprietary Limited

Company Secretary

29 September 2026

York Timber Holdings Limited

(Registration Number 1916/004890/06)

Audited Consolidated and Separate Annual Financial Statements for the year ended 30 June 2026

Report of the Audit Committee

We are pleased to present our report for the financial year ended 30 June 2026.

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, No. 71 of 2008, as amended, 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 2025 and the audited consolidated and separate annual financial statements for the year ended 30 June 2026;
- Satisfied itself that the external auditor, Deloitte & Touche, and its audit partner, complied with the suitability criteria for appointment as required by paragraph 5.7(h)(iii) read with paragraphs 6.36 and 6.37 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 2026 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 sourced the internal audit function from BDO, supported by the in-house internal auditor, and approved the internal audit plan and budgeted fee for the 2026 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 satisfied itself as to the competence, qualifications and experience of the Chief Financial Officer, as required by paragraph 5.7(h)(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 5.7(h)(ii) of the JSE Listings 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 re-appointment of the auditor is presented and included as a resolution at the annual general meeting of the Group and Company; and
- Satisfied itself through management representations and findings by the external auditor, as well as work performed by the internal auditors that key audit matters relating to the valuation of Biological Assets for Pine and Eucalyptus trees and Going Concern have been presented fairly in the audited consolidated and separate annual financial statements.

York Timber Holdings Limited

(Registration Number 1916/004890/06)

Audited Consolidated and Separate Annual Financial Statements for the year ended 30 June 2026

Report of the Audit Committee

- Satisfied itself that the Chief Financial Officer could act in a dual role as Chief Financial Officer and Interim Chief Executive Officer with support from a well structured finance team with individuals holding suitable qualifications.

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 2026 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 who also serves as the interim 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	10-Sep-25	22-Sep-25	13-Nov-25	12-Mar-26	12-Jun-26
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	No	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.

York Timber Holdings Limited

(Registration Number 1916/004890/06)

Audited Consolidated and Separate Annual Financial Statements for the year ended 30 June 2026

Report of the Audit Committee

The Executive director'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.

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® Accounting Standards, 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 2026 were approved by the Board of Directors on 22 September 2026. 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:



3587A1E0A4F44C9...

AW Brink

Chairperson of the Audit Committee

25 September 2026

York Timber Holdings Limited

(Registration Number 1916/004890/06)

Audited Consolidated and Separate Annual Financial Statements for the year ended 30 June 2026

Responsibility Statement by the Chief Executive Officer and interim Chief Financial Officer

The Chief Executive Officer and interim Chief Financial Officer, 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 IFRS®;
- to the best of my 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;
- 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 my role and function as executive director with primary responsibility for implementation and execution of controls;
- where I am not satisfied, I have disclosed to the audit committee and the auditors any deficiencies in the design and operational effectiveness of the internal financial controls and have taken steps to remedy the deficiencies; and
- I am not aware of any fraud involving directors.

Pieter Schalk Barnard

PS Barnard

Chief Executive Officer and interim
Chief Financial Officer

29 September 2026

York Timber Holdings Limited

(Registration Number 1916/004890/06)

Audited Consolidated and Separate Annual Financial Statements for the year ended 30 June 2026

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 ended 30 June 2026.

1. Review of activities

Main business and operations

York is incorporated in South Africa as an investment holding company, with the activities of the Group conducted through its subsidiaries. The Group's continuing operations comprise an integrated forestry value chain, including forestry, sawmilling and plywood manufacturing operations. Its sales channels serve wholesale and retail markets in South Africa, the Southern African Development Community (SADC) and other international markets.

The Group's agricultural operations, comprising avocado, macadamia and citrus farming activities and a portion of the pine and eucalyptus plantations, have been classified as discontinued operations following the Board's decision to unbundle Stadsrivier Vallei Proprietary Limited. As part of the transaction, the property, plant and equipment of Mbulwa Estate Proprietary Limited operations will be sold to Stadsrivier Vallei Proprietary Limited prior to the unbundling. The proposed transaction is expected to be completed within the next 12 months.

Total consolidated comprehensive income for the year from continuing operations amounted to R135.4 million (2025: R308.7 million) and the total consolidated comprehensive income from discontinued operations amounted to a loss of R41.7 million (2025: gain of R7.2 million). The financial results for the 2026 financial year were influenced by a gain of R214 million in the fair value of biological assets during the year (2025: R429 million) from continuing operations and a loss of R17.8 million from discontinued operations (2025: gain of R6 million).

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 harvested its own trees in the Escarpment during the year, consistent with the revised rotation plan. In the current year, R 178.2 million (2025: R 275.6 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. Upon request of the Group, measurement of the 30 June 2026 quarter Debt Service coverage ratio was waived by FMO and a relaxation of the same covenant, for the following 12 months, was approved. Looking ahead, 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

Mr Schalk Barnard was appointed as permanent Group Chief Executive Officer with effect from 1 September 2026 and continues to serve as interim Chief Financial Officer.

York Timber Holdings Limited

(Registration Number 1916/004890/06)

Audited Consolidated and Separate Annual Financial Statements for the year ended 30 June 2026

Directors' Report

Subsequent to year-end, Absa Bank released the security held in respect of the Group's borrowings.

The Group re-negotiated the Debt Service Coverage ratio under the FMO facility subsequent to year-end reducing the minimum required ratio from 1.5 to 1.3, effective from the 30 September 2026 measurement period.

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

4. Directors' shareholdings

As at 30 June 2026, the directors of the Company held direct beneficial interests in 0.02% (2025: 0.22%) and indirect beneficial interests in 43.08% (2025: 43.08%) of its issued ordinary shares, as set out below. There were no changes to the directors' shareholdings between 30 June 2026 and the date of approval of the audited consolidated and separate annual financial statements.

Interest in shares	Number of shares		% shareholding	
	2026	2025	2026	2025
GCD Stoltz (Direct interest) (resigned 31 March 2026)	0	996 452	0.00	0.21
PS Barnard (Direct interest)	83 104	57 104	0.02	0.01
A Zetler and A van der Veen (represented by A2 Investment Partners Proprietary Limited, Peregrine Group, Long View Asset Management Limited and Standard Bank Group Limited) (Indirect interest) (2025: 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
	204 343 079	205 313 531	43.10	43.30

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

* 111 937 955 shares (2025: 16 150 904 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	
	2026	2025	2026	2025
Ordinary shares	1 776 465	1 776 465	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 requirement in the form of a net debt-to-EBITDA ratio in terms of the FMO loan facility (refer to note 34).

York Timber Holdings Limited

(Registration Number 1916/004890/06)

Audited Consolidated and Separate Annual Financial Statements for the year ended 30 June 2026

Directors' Report

7. Dividend

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

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 (appointed as Chief Executive Officer from 1 September 2026)	Chief Executive Officer and interim 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
A van der Veen		Non-executive
A Zetler		Non-executive
GCD Stoltz (resigned 31 March 2026)	Chief Executive Officer	Executive

9. Company Secretary

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

Details of the company secretary are as follows:

Secretary's business address:	1st Floor, Building 33 Waterford Office Park Waterford Drive Fourways 2191
-------------------------------	--

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 Auditor

Deloitte & Touche were reappointed as the independent auditors of York Timber Holdings Limited with audit partner Logan Govender.

York Timber Holdings Limited

(Registration Number 1916/004890/06)

Audited Consolidated and Separate Annual Financial Statements for the year ended 30 June 2026

Directors' Report

12. Shareholder profile

The shareholder profile at 30 June 2026 was as follows:

	Number of Shareholder accounts	% Number of Shareholder accounts	Number of shares	% of number of shares
Shareholder spread				
1 - 1 000	3 702	81.90	283 330	0.06
1 001 - 10 000	422	9.34	1 574 503	0.33
10 001 - 100 000	276	6.11	9 989 659	2.11
100 001 - 1 000 000	93	2.06	28 254 992	5.96
Over 1 000 000	27	0.60	433 995 255	91.54
Total	4 520	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	348 779	0.07
Collective Investment Schemes	10	0.22	40 483 041	8.54
Custodians	7	0.15	12 215 024	2.58
Foundations and Charitable Funds	13	0.29	633 036	0.13
Hedge Funds	5	0.11	24 735 837	5.22
Investment Partnerships	5	0.11	1 448 054	0.31
Managed Funds	3	0.07	21 163 522	4.46
Private Companies	69	1.53	126 959 124	26.76
Public Companies	2	0.04	75 100	0.02
Public Entities	1	0.02	95 136 513	20.07
Retail Shareholders	4 320	95.58	28 762 055	6.07
Retirement Benefit Funds	6	0.13	2 322 255	0.49
Script Lending	4	0.09	97 184 761	20.50
Share Schemes	1	0.02	48 200	0.01
Stockbrokers and Nominees	8	0.18	16 346 364	3.45
Trusts	52	1.15	6 234 653	1.32
Unclaimed Scrip	1	0.02	1 421	0.00
Total	4 520	100.00	474 097 739	100.00

York Timber Holdings Limited

(Registration Number 1916/004890/06)

Audited Consolidated and Separate Annual Financial Statements for the year ended 30 June 2026

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	7	0.15	204 343 079	43.10
Share schemes	1	0.02	48 200	0.01
<i>Public shareholders</i>	4 512	99.83	269 706 460	56.89
Total	4 520	100.00	474 097 739	100.00

Beneficial Shareholders Holding > 3% of Issued Shares	Number of shares	% of issued shares
Peregrine Group	95 787 051	20.20
Industrial Development Corporation	95 136 513	20.07
A Zetler and A van der Veen (Represented by A2 Investment Partners Proprietary Limited)	67 322 021	14.20
Bridge Creek Trading 10 Proprietary Limited	29 356 410	6.19
Rozendal Partners	24 169 891	5.10
Long View Asset Management Limited	21 000 000	4.43
Coronation Fund Managers	17 349 300	3.66
SBG Securities	16 150 904	3.41
Total	366 272 090	77.26

Independent Auditor's Report

To the Shareholders of York Timber Holdings Limited

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 statement of financial position as at 30 June 2026; and the consolidated and separate statement of profit or loss and other comprehensive income; the consolidated and separate statement of changes in equity; and the consolidated and separate statement of cash flows for the year then ended; and notes to the consolidated and separate financial statements, including material accounting policy information.

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of York Timber Holdings Limited and its subsidiaries as at 30 June 2026, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended, in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act of South Africa.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements* section of our report. We are independent of the group and company in accordance with the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors* (IRBA Code), as applicable to audits of financial statements of public interest entities, 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' *International Code of Ethics for Professional Accountants (including International Independence Standards)*. 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 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 consolidated and separate financial statements as a whole as follows:

	Financial statements - group	Financial statements - company
Overall materiality	R29.4 million (2025: R29.4 million)	R26.8 million (2025: R26.6 million)
How we determined it	Based on 1.57% (2025: 1.5%) of Revenue	Based on 1% (2025: 1%) 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 Assets remained key benchmarks given the entity serves as the investment holding company, is asset investment intensive and does not trade. 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

Scope of our audit

Our Group audit was scoped by obtaining an understanding of the Group and its environment, including the structure and organisation 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 (2024: 7 components), representing the Group's most material operations.

The following audit scoping was applied:

- 5 components (2025: 5 components) were subject to a full scope audit; and
- 2 components (2025: 2 components) were subject to group analytical procedures.

The 5 components subject to full scope audits account for 99.4% of the Group's Assets (2025: 99.4%) and 99.6% of the Group's Revenue (2025: 99.7%). The other components subject to specified balance procedures and group analytical procedures account for 0.6% of the Group's Assets (2025: 0.6%) and 0.4% of the Group's Revenue (2025: 0.3%).

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate 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	How the matter was addressed in the audit
The Valuation of Biological Assets (Timber Plantation) The biological asset comprises of Pine and Eucalyptus (Timber Plantation) and 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 453 million (2025: 3 241 million). The net fair value adjustment for the year-ended 30 June 2026 amounted to an increase in profit of R214 million (2025: Increase of R435 million) included in cost of sales for continued operations and a net fair value loss of R17.8 million in cost of sales for discontinued operations of which was classified as held for distribution to owners. 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. This balance is subject to high levels of estimation via the discounted cash flows, sensitivities around the changes in the discount rate, growth rate assumptions, existence and aging of the plantations, estimates of growth, harvesting, log prices, volumes, selling prices and costs to sell. 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 matters in the current period were as follows: • Held discussions with the forestry planners and management to gain an understanding of the relevant systems impacting the biological asset valuation. • 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 Accounting Standards considerations. • Tested the operating effectiveness of manual controls relating to planting, thinning, enumeration and harvesting. • Assessed managements application of the principles of IFRS 13, fair value measurement, to the valuation principals adopted in the biological asset valuation. • Engaged with internal valuation specialists to test the logic of the biological asset model and the associated weighted average cost of capital used in the discounted cash flows. • We verified the existence and completeness of selected timber plantation compartments. • Performed a retrospective review on the prior years forecasted volumes to the actual thinning's and harvests achieved. • Challenged management's use of theoretical thinning and harvesting volumes in the model against historical thinning and harvesting. • 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 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. • Assessed the competence, qualifications and objectivity of managements expert, including an assessment of the scope of their work performed. • 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. 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	How the matter was addressed in the audit
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, the Debt Service Coverage Ratio being waived by FMO for the quarter ending June 2026 and being further relaxed for the following 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, along with 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 actual results for July and August 2026 and the revised future forecasted cash flows impacting the next 13 months beginning September 2026. • 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. • Engaged with a legal specialist to review the lender agreements for any restrictive clauses and assess the impact thereof 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 assumption 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 2026", 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. The other information does not include the consolidated or the separate financial statements and our auditor's reports thereon.

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

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

Responsibilities of the Directors for the Consolidated and Separate Financial Statements

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

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

Independent Auditor's Report

To the Shareholders of York Timber Holdings Limited (continued)

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 judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group and/or company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group and/or company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes 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 and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report, unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Audit Tenure

In terms of the IRBA Rule published in Government Gazette No. 39475 dated 4 December 2015, we report that Deloitte & Touche has been the auditor of York Timber Holdings Limited for 4 years.

Signed by:
 Deloitte & Touche
9DFA9D3CD60C433...

Deloitte & Touche

Registered Auditor

Per: Logan Govender CA(SA); RA

Partner

29 September 2026

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 2026

Statements of Financial Position

Figures in R `000	Notes	Group 2026	Group 2025	Company 2026	Company 2025
Assets					
Non-current assets					
Property, plant and equipment	5	772 566	943 727	-	-
Investment property		16 694	13 884	-	-
Intangible assets		228	2	-	-
Biological assets	6	2 916 517	2 779 622	-	-
Investments in subsidiaries	7	-	-	1 262 326	1 262 326
Deferred tax assets	8	1 364	2 613	-	-
Other financial assets	9	81 218	89 297	-	-
Loan to Group company	10	-	-	1 425 190	1 418 844
Total non-current assets		3 788 587	3 829 145	2 687 516	2 681 170
Current assets					
Inventories	11	328 977	337 519	-	-
Trade and other receivables	12	212 403	263 731	222	441
Current tax assets		-	-	2	2
Biological assets	6	537 410	469 025	-	-
Other financial assets	9	6 193	50 466	-	-
Cash and cash equivalents	13	51 763	29 036	1	-
Total current assets other than non-current assets or disposal groups classified as held for distribution to owners		1 136 746	1 149 777	225	443
Assets of disposal group classified as held for distribution to owners	14	191 829	-	-	-
Total current assets		1 328 575	1 149 777	225	443
Total assets		5 117 162	4 978 922	2 687 741	2 681 613

York Timber Holdings Limited

(Registration Number 1916/004890/06)

Audited Consolidated and Separate Financial Statements for the year ended 30 June 2026

Statements of Financial Position

Figures in R `000	Notes	Group 2026	Group 2025	Company 2026	Company 2025
Equity and liabilities					
Equity					
Share capital	15	1 738 034	1 738 034	1 776 465	1 776 465
Retained income		1 397 258	1 305 593	909 316	903 982
Reserves		17 916	15 837	-	-
Total equity		3 153 208	3 059 464	2 685 781	2 680 447
Liabilities					
Non-current liabilities					
Provisions	16	7 437	7 103	-	-
Deferred tax liabilities	8	918 088	870 688	-	-
Borrowings	17	466 337	459 521	-	-
Lease liabilities	18	1 751	6 706	-	-
Retirement benefit obligations	19	23 250	24 266	-	-
Total non-current liabilities		1 416 863	1 368 284	-	-
Current liabilities					
Provisions	16	16 955	18 158	-	-
Trade and other payables	20	352 467	378 533	1 960	1 166
Current tax liabilities		2 708	5 346	-	-
Borrowings	17	156 539	130 064	-	-
Lease liabilities	18	5 957	15 972	-	-
Retirement benefit obligations	19	3 288	3 101	-	-
Total current liabilities other than liabilities included in disposal groups classified as held for distribution to owners		537 914	551 174	1 960	1 166
Liabilities associated with disposal group classified as held for distribution to owners	14	9 177	-	-	-
Total current liabilities		547 091	551 174	1 960	1 166
Total liabilities		1 963 954	1 919 458	1 960	1 166
Total equity and liabilities		5 117 162	4 978 922	2 687 741	2 681 613

York Timber Holdings Limited

(Registration Number 1916/004890/06)

Audited Consolidated and Separate Financial Statements for the year ended 30 June 2026

Statements of Profit or Loss and Other Comprehensive Income

Figures in R `000	Notes	Group 2026	Group 2025	Company 2026	Company 2025
Revenue	22	1 876 100	1 920 239	7 128	5 472
Cost of sales #	23	(1 227 667)	(1 075 228)	-	-
Gross profit		648 433	845 011	7 128	5 472
Other income	24	18 626	15 547	-	-
Other operating expenses	26	(424 258)	(390 155)	(7 127)	(5 472)
Other gains	25	2 732	12 148	-	-
Profit / (loss) from operating activities		245 533	482 551	1	-
Finance income	27	14 133	18 968	5 333	14 307
Finance costs	28	(73 585)	(77 321)	-	-
Profit before tax		186 081	424 198	5 334	14 307
Income tax expense	29	(52 671)	(114 883)	-	-
Profit from continuing operations		133 410	309 315	5 334	14 307
(Loss) / profit from discontinued operations	14	(41 745)	7 223	-	-
Profit for the year		91 665	316 538	5 334	14 307
Profit for the year attributable to the equity shareholder arises from:					
Continuing operations		133 410	309 315	5 334	14 307
Discontinued operations		(41 745)	7 223	-	-
		91 665	316 538	5 334	14 307
Other comprehensive income					
Components of other comprehensive income that will not be reclassified to profit or loss					
Remeasurement of retirement benefit obligation		851	(792)	-	-
Taxation related to remeasurement of retirement benefit obligation		(230)	214	-	-
Gains on property revaluation		1 860	-	-	-
Taxation on gains on property revaluation		(402)	-	-	-
Total other comprehensive income / (loss) that will not be reclassified to profit or loss		2 079	(578)	-	-
Total other comprehensive income / (loss) net of tax		2 079	(578)	-	-
Total comprehensive income		93 744	315 960	5 334	14 307

The fair value gain on biological assets of R214 million (2025: gain of R 429 million) is included in cost of sales.

York Timber Holdings Limited

(Registration Number 1916/004890/06)

Audited Consolidated and Separate Financial Statements for the year ended 30 June 2026

Statements of Profit or Loss and Other Comprehensive Income

Figures in R `000	Notes	Group 2026	Group 2025	Company 2026	Company 2025
Earnings per share from continuing operations attributable to owners of the parent during the year					
Basic earnings per share (cents)					
Basic earnings per share from continuing operations	38	28.73	66.63	1.13	3.02
Basic (loss) / earnings per share from discontinued operations		(8.99)	1.56	-	-
Total basic earnings per share		19.74	68.19	1.13	3.02
Diluted earnings per share (cents)					
Diluted earnings per share from continuing operations	38	28.73	66.63	1.13	3.02
Diluted (loss) / earnings per share from discontinued operations		(8.99)	1.56	-	-
		19.74	68.19	1.13	3.02

York Timber Holdings Limited

(Registration Number 1916/004890/06)

Audited Consolidated and Separate Financial Statements for the year ended 30 June 2026

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 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 expense	-	-	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
Balance at 1 July 2025	1 738 034	1 159	-	14 678	1 305 593	3 059 464
Changes in equity						
Profit for the year	-	-	-	-	91 665	91 665
Other comprehensive income	-	621	-	1 458	-	2 079
Total comprehensive income for the year	-	621	-	1 458	91 665	93 744
Balance at 30 June 2026	1 738 034	1 780	-	16 136	1 397 258	3 153 208
Notes	15					

York Timber Holdings Limited

(Registration Number 1916/004890/06)

Audited Consolidated and Separate Financial Statements for the year ended 30 June 2026

Statement of Changes in Equity - Company

Figures in R `000	Share capital	Share-based payment reserve	Retained income	Total
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 income	-	-	14 307	14 307
Share-based payment expense	-	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
Balance at 1 July 2025	1 776 465	-	903 982	2 680 447
Changes in equity				
Profit for the year	-	-	5 334	5 334
Total comprehensive income	-	-	5 334	5 334
Balance at 30 June 2026	1 776 465	-	909 316	2 685 781
Notes	15			

York Timber Holdings Limited

(Registration Number 1916/004890/06)

Audited Consolidated and Separate Financial Statements for the year ended 30 June 2026

Statements of Cash Flows

Figures in R `000	Notes	Group 2026	Group 2025	Company 2026	Company 2025
Net cash flows from / (used in) operations	30	169 813	147 611	1 014	(1 015)
Income taxes (paid) / refunded	31	(5 616)	6 603	-	-
Net cash flows from / (used in) operating activities		164 197	154 214	1 014	(1 015)
Cash flows (used in) / from investing activities					
Proceeds from sales of property, plant and equipment		5 234	16 502	-	-
Purchase of property, plant and equipment		(61 200)	(111 415)	-	-
Purchase of biological assets (plantations)		-	(53 274)	-	-
Proceeds from contingency insurance fund		102 997	29 108	-	-
Contributions to contingency insurance fund		(51 500)	(35 458)	-	-
Investment in shares		-	(855)	-	-
(Repayment) / advance from subsidiary		-	-	(1 013)	1 010
Dividends received		228	-	-	-
Interest received		14 618	19 537	-	4
Establishment cost on biological assets		(45 537)	(38 853)	-	-
Cash flows (used in) / from investing activities		(35 160)	(174 708)	(1 013)	1 014
Cash flows used in financing activities					
Repayment of borrowings	30	(60 141)	(40 604)	-	-
Proceeds from borrowings	30	39 680	118 025	-	-
Repayment of lease liabilities	30	(11 303)	(13 685)	-	-
Interest paid		(71 409)	(73 520)	-	-
Cash flows used in financing activities		(103 173)	(9 784)	-	-
Net increase / (decrease) in cash and cash equivalents before effect of exchange rate changes		25 864	(30 278)	1	(1)
(Losses) / gains on foreign exchange on cash and cash equivalents		(2 069)	2 375	-	-
Net increase / (decrease) in cash and cash equivalents		23 795	(27 903)	1	(1)
Cash and cash equivalents at the beginning of the year		29 036	56 939	-	1
Cash and cash equivalents at end of the year	13 & 14	52 831	29 036	1	-

The statement of cash flows include cash flows from both continuing operations, as per note 13 and discontinued operations as per note 14.

York Timber Holdings Limited

(Registration Number 1916/004890/06)

Audited Consolidated and Separate Financial Statements for the year ended 30 June 2026

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 2026 were approved by the Board of Directors on 22 September 2026.

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 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.

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 prevail.

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 Rand, which is the Group and Company's functional currency and rounded to the nearest thousand (R'000).

All subsidiaries use uniform accounting policies.

2.1 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

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.

2.2 Non-current assets held for sale, held for distribution to owners and discontinued operations

Non-current assets and disposal groups are classified as held for distribution to owners if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use and the sale is considered highly probable.

York Timber Holdings Limited

(Registration Number 1916/004890/06)

Audited Consolidated and Separate Financial Statements for the year ended 30 June 2026

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

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

Non-current assets and disposal groups are classified as held for distribution to owners when the entity is committed to distribute the assets or disposal group to its owners. For such a classification, the assets must be available for immediate distribution in their present condition and the distribution must be highly probable. For the distribution to be highly probable, actions to complete the distribution must have been initiated and the distribution should be expected to be completed within one year from the date of classification. Actions required to complete the distribution should indicate that it is unlikely that significant changes to the distribution will be made or that the distribution will be withdrawn. The probability of shareholders' approval, where required in the jurisdiction, is considered as part of the assessment of whether the distribution is highly probable.

Non-current assets and disposal groups classified as held for distribution to owners are measured at the lower of their carrying amount and fair value less costs to sell or cost to distribute. Assets that are specifically excluded from the measurement requirements of IFRS 5 continue to be measured in accordance with the applicable IFRS Accounting Standard.

An impairment loss is recognised for any initial or subsequent write-down of an asset or disposal group to fair value less costs to sell or fair value less costs to distribute, as applicable. A gain is recognised for any subsequent increase in fair value less costs to sell or fair value less costs to distribute, but not in excess of the cumulative impairment loss previously recognised in accordance with IFRS 5 or previously in accordance with the applicable IFRS Accounting Standards.

Non-current assets are not depreciated or amortised while classified as held for sale or held for distribution to owners, or while forming part of a disposal group so classified. Interest and other expenses attributable to the liabilities of a disposal group continue to be recognised.

Non-current assets as held for sale or held for distribution to owners, and the assets of disposal groups so classified, are presented separately from other assets in the statement of financial position and assets and liabilities of disposal groups classified as held for sale or held for distribution to owners are presented separately from other liabilities in the statement of financial position. Assets and liabilities classified as held for distribution to owners are not offset and presented as a single amount.

A discontinued operation is a component of the Group that has been disposed of or is classified as held for sale or held for distribution to owners and represents a separate major line of business or geographical area of operations, forms part of a single co-ordinated plan to dispose of or distribute such a line of business or geographical area of operations, or is a subsidiary acquired exclusively with a view to resale. The post-tax profit or loss of discontinued operations and the post-tax gain or loss recognised on the measurement to fair value less costs to sell or fair value less costs to distribute, or on disposal of the assets or disposal group constituting the discontinued operation, are presented as a single amount separately in the statement of profit or loss and other comprehensive income.

3. Critical accounting estimates and judgements

The preparation of audited consolidated and separate annual financial statements in conformity with IFRS Accounting Standards 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

York Timber Holdings Limited

(Registration Number 1916/004890/06)

Audited Consolidated and Separate Financial Statements for the year ended 30 June 2026

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

Critical accounting estimates and judgements continued...

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

There were no new or amended IFRS Accounting Standards that became effective during the current year that had a material impact on the Group's or Company's accounting policies, financial position, financial performance or disclosures.

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 International Accounting Standards Board as they are not yet effective for the annual financial year beginning 1 July 2025. 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.

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

IFRS 18 – Presentation and Disclosure in Financial Statements

IFRS 18 replaces IAS 1 Presentation of Financial Statements and is effective for annual reporting periods beginning on or after 1 January 2027. The standard introduces new requirements relating primarily to the presentation of the statement of profit or loss, including defined categories for income and expenses and specified subtotals. It also introduces disclosure requirements for management-defined performance measures and enhanced requirements for the aggregation and disaggregation of information in the financial statements.

IFRS 18 is not expected to affect the recognition or measurement of items in the Group and Company's financial statements but will affect the presentation and disclosure of financial information. Management is in the process of assessing the detailed impact of the standard, including the classification of income and expenses within the required categories, the presentation of required subtotals and the identification of any management-defined performance measures. The Group and Company will apply IFRS 18 for the financial year commencing 1 July 2027.

IFRS 19 – Subsidiaries without Public Accountability: Disclosures

IFRS 19 is a voluntary standard that permits eligible subsidiaries to apply reduced disclosure requirements while continuing to apply the recognition, measurement and presentation requirements of other IFRS Accounting Standards. The Group and Company do not currently expect the standard to have an impact on the consolidated or separate annual financial statements.

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

The amendments clarify certain requirements relating to the classification and measurement of financial instruments, including the derecognition of financial liabilities settled through electronic payment systems and the assessment of contractual cash flow characteristics of financial assets. Management does not expect the amendments to have a material impact on the Group or Company's financial statements.

IFRS S1 and S2 Sustainability Disclosure Standards

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 2026

Notes to the Consolidated and Separate Financial Statements

Figures in R `000	Group 2026	Group 2025	Company 2026	Company 2025
-------------------	---------------	---------------	-----------------	-----------------

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 are included within property, plant and equipment. The capital spares are carried at cost less any impairments and depreciated when they are installed. Valuations are performed every three 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. Lease payments for two of the warehouse and office premises include fixed annual escalations, while three warehouse leases contain 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. an unsecured asset and the lease term being shorter. The right-of-use assets 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 liabilities 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 gains / (losses) 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 distribution to owners or the date it is derecognised upon disposal.

York Timber Holdings Limited

(Registration Number 1916/004890/06)

Audited Consolidated and Separate Financial Statements for the year ended 30 June 2026

Notes to the Consolidated and Separate Financial Statements

Figures in R `000

Property, plant and equipment continued...

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 office space	3 - 5 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.

York Timber Holdings Limited

(Registration Number 1916/004890/06)

Audited Consolidated and Separate Financial Statements for the year ended 30 June 2026

Notes to the Consolidated and Separate Financial Statements

Figures in R `000

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 plant	Capital work in progress and critical spares	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 2026 - Group												
Balance at 1 July 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
Movements for the year ended 30 June 2026												
Additions	-	6 278	-	24 026	18 451	313	56 556	2 053	-	177	1 914	109 768
Depreciation	-	(13 782)	(161)	(58 981)	(27 999)	(1 139)	-	(8 278)	(1 735)	(1 041)	(2 959)	(116 075)
Impairments	(66)	(6 221)	(441)	(12 721)	(491)	-	-	-	-	(2)	(757)	(20 699)
Revaluation	-	-	1 860	-	-	-	-	-	-	-	-	1 860
Transfers	-	9 177	-	19 557	250	(9)	(24 567)	-	(5 966)	-	1 326	(232)
Transfers to non current assets held for distribution to owners	(60 348)	(35 015)	(8 957)	(5 450)	(4 515)	(23 782)	(2 390)	-	-	-	(318)	(140 775)
Disposals	-	(200)	-	(323)	(4 033)	-	-	(429)	-	-	(23)	(5 008)
Property, plant and equipment at the end of the year	133 058	150 704	27 244	260 668	97 646	-	70 463	6 476	-	18 817	7 490	772 566
Closing balance at 30 June 2026												
At cost or revaluation	133 128	280 700	27 685	799 289	258 912	-	70 463	65 368	-	40 082	20 137	1 695 764
Accumulated depreciation and impairment	(70)	(129 996)	(441)	(538 621)	(161 266)	-	-	(58 892)	-	(21 265)	(12 647)	(923 198)
Carrying amount	133 058	150 704	27 244	260 668	97 646	-	70 463	6 476	-	18 817	7 490	772 566

* Other property, plant and equipment refers to furniture and fittings and computer equipment. 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.

York Timber Holdings Limited

(Registration Number 1916/004890/06)

Audited Consolidated and Separate Financial Statements for the year ended 30 June 2026

Notes to the Consolidated and Separate Financial Statements

Figures in R `000

Property, plant and equipment continued...

	Land	Buildings	Residential buildings	Plant and machinery	Motor vehicles	Bearer plants [^]	Capital work in progress and critical spares	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												
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
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

[^] Of 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 and computer equipment. 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.

York Timber Holdings Limited

(Registration Number 1916/004890/06)

Audited Consolidated and Separate Financial Statements for the year ended 30 June 2026

Notes to the Consolidated and Separate Financial Statements

Figures in R `000	Group 2026	Group 2025	Company 2026	Company 2025
-------------------	---------------	---------------	-----------------	-----------------

Property, plant and equipment continued...

5.2 Additional disclosures

Assets whose title is restricted and pledged as security

Landholdings, bearer plants and buildings with a carrying value of R283.7 million (2025: R289.1 million) were encumbered in favour of Micawber 558 Proprietary Limited (unrelated to the Group) and Absa Bank, as security for loans and borrowings, as per note 17.5. Included in the carrying value of R283.7 million are assets with a carrying value of R64.5 million that are held as security and disclosed in note 14 as part of the disposal group held for distribution to owners.

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

	2026	2025
Plant and machinery	53 447	54 660
Motor vehicles	71 074	73 861
Other equipment	91	200
Capital work in progress	15 677	-
Total	140 289	128 721

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 R111 million (2025: R118 million) (refer to note 17.3).

5.3 Impairments

Impairment losses recognised were as follows:

Current year:

Impairment of R4.9 million:

During the year, the Group recognised impairment losses of R4.9 million in respect of specific items of property, plant and equipment that were damaged during the period. These included furniture and computer equipment that were damaged, a harvester damaged by fire and a building that sustained structural damage. The assets were impaired to their respective recoverable amounts based on their condition following the damage.

Impairment of R15.8 million on cash-generating units (CGUs):

The Group performed impairment assessments on the Sabie sawmill, Plywood plant and Driekop sawmill CGUs. The assessments were performed due to losses incurred during the current year, the decline in the plywood market as a result of competition from imported products, and the continued mothballing of the Driekop sawmill.

The recoverable amounts of the CGUs were determined based on fair value less costs of disposal. External valuations were obtained that was updated for current market conditions and observable second-hand trading values. The external valuations were performed by an independent valuer with specific experience in the sawmill industry. Fair value was determined with reference to the estimated market value of the underlying assets in their current condition.

York Timber Holdings Limited

(Registration Number 1916/004890/06)

Audited Consolidated and Separate Financial Statements for the year ended 30 June 2026

Notes to the Consolidated and Separate Financial Statements

Figures in R `000

Property, plant and equipment continued...

The Sabie sawmill CGU had a carrying amount before impairment of R36.6 million and a recoverable amount of R35.8 million. Accordingly, an impairment loss of R0.8 million was recognised.

The Plywood plant CGU had a carrying amount before impairment of R224.4 million and a recoverable amount of R209.4 million. Accordingly, an impairment loss of R15.0 million was recognised.

The recoverable amount of the Driekop sawmill CGU of R44.5 million exceeded its carrying amount of R13.8 million and, accordingly, no additional impairment was recognised.

Sensitivity analysis

Management assessed the sensitivity of the recoverable amounts to reasonably possible changes in the key assumptions used in determining fair value less costs of disposal. A 5% decrease in the estimated market values of the underlying assets, with all other assumptions remaining unchanged, would result in an additional total impairment loss of approximately R5 million in respect of the Sabie sawmill (R0.7 million) and Plywood plant (R4.3 million) CGUs. The recoverable amount of the Driekop sawmill CGU would continue to exceed its carrying amount following a 5% decrease in estimated market values.

Fair value measurement

The fair value less costs of disposal measurements were classified as Level 3 in the fair value hierarchy as they incorporate significant unobservable inputs. Key assumptions and inputs include observable second-hand trading values, adjusted for the condition and remaining useful lives of the specialised sawmill and plywood plant assets, and marketability discounts where appropriate. The assumptions and adjustments applied were based on management's assessment of current market conditions, supported by the external valuation and available market information.

Prior year:

Impairment of R2.1 million

In the prior 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.

6. Biological assets

The biological assets comprise 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.

York Timber Holdings Limited

(Registration Number 1916/004890/06)

Audited Consolidated and Separate Financial Statements for the year ended 30 June 2026

Notes to the Consolidated and Separate Financial Statements

Figures in R `000

Biological assets continued...

Plantation biological assets (pine and eucalyptus trees):

Valuation technique and significant inputs

Fair value is determined using a discounted cash flow (DCF) 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 of 20 to 23 years for pine plantations and 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.

Harvest and transfer to inventories

At 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.

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.

York Timber Holdings Limited

(Registration Number 1916/004890/06)

Audited Consolidated and Separate Financial Statements for the year ended 30 June 2026

Notes to the Consolidated and Separate Financial Statements

Figures in R `000

Biological assets continued...

Harvest and transfer to inventories

Harvested produce is 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.

6.1 Reconciliation of changes in biological assets

	Unharvested fruit	Pine and Eucalyptus plantations	Total
Reconciliation for the year ended 30 June 2026 - Group			
Opening balance	7 425	3 241 222	3 248 647
Movements for the year ended 30 June 2026			
Establishment cost	-	45 537	45 537
<i>Fair value adjustment</i>			
• Change in fair value of avocados, citrus and macadamias due to growth	16 592	-	16 592
• Change in fair value of avocados, macadamias and citrus due to harvesting	(7 425)	-	(7 425)
• Increase due to growth and enumerations(1)	-	443 681	443 681
• Decrease due to harvesting	-	(316 088)	(316 088)
• Adjustment to timber values due to sales price, cost and discount rate assumptions(2)	-	84 943	84 943
• Fair value reduction due to storm and hail damage	-	(25 463)	(25 463)
Decrease due to classified as held for distribution to owners	(16 592)	(19 905)	(36 497)
Biological assets at the end of the year	-	3 453 927	3 453 927
Classified as non-current assets	-	2 916 517	2 916 517
Classified as current assets (3)	-	537 410	537 410
	-	3 453 927	3 453 927
Disposal group held for distribution to owners			
Classified as non-current assets	-	10 970	10 970
Classified as current assets (3)	16 592	8 935	25 527
	16 592	19 905	36 497

York Timber Holdings Limited

(Registration Number 1916/004890/06)

Audited Consolidated and Separate Financial Statements for the year ended 30 June 2026

Notes to the Consolidated and Separate Financial Statements

Figures in R `000

Biological assets continued...

	Unharvested fruit	Pine and Eucalyptus plantations	Total
Reconciliation for the year 30 June 2025 - Group			
Opening balance	11 029	2 710 081	2 721 110
Movements for the year ended 30 June 2025			
Additions	-	53 274	53 274
Establishment cost	-	38 853	38 853
<i>Fair value adjustment</i>			-
• Change in fair value of avocados and macadamias due to growth	7 425	-	7 425
• Change in fair value of avocados and macadamias due to harvesting	(11 029)	-	(11 029)
• Increase due to growth and enumeration (1)	-	334 758	334 758
• Decrease due to harvesting and disposals	-	(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

(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 total net fair value gain was R196.2 million (2025: R435.4 million). The net fair value movement from continuing operations was a gain of R214 million (2025: gain of R429.2 million) included in cost of sales for continuing operations, as per note 23, and a net fair value loss of R17.8 million (2025: gain of R6.2 million) in cost of sales for discontinued operations as per note 14.

York Timber Holdings Limited

(Registration Number 1916/004890/06)

Audited Consolidated and Separate Financial Statements for the year ended 30 June 2026

Notes to the Consolidated and Separate Financial Statements

Figures in R `000

Biological assets continued...

6.2 Change in discounted cash flow attributable to pine and eucalyptus plantations:

	2026	2025
Opening balance	3 241 222	2 710 081
Change in product mix and age (4) ^	70 599	182 222
Revenue and price (5) ^	(275 305)	247 746
Operating costs ^	(170 017)	(68 073)
Discount rate ^	560 649	100 605
Change in volume (6) ^	26 610	(23 486)
Establishment cost	45 537	38 853
Purchased plantations	-	53 274
Fair value reduction due to storm and hail damage ^	(25 463)	-
Decrease through classified as held for distribution to owners	(19 905)	-
	<u>3 453 927</u>	<u>3 241 222</u>
Disposal group held for distribution to owners		
Classified as non-current assets	10 970	-
Classified as current assets (3)	8 935	-
	<u>19 905</u>	<u>-</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 1 063 hectares in 2026 (2025: increase of 694 hectares). The DCF volumes over the 20 to 23 year period increased from the prior year by 58 539m³ (2025: decrease of 123 460m³). An accuracy factor is used to calculate the accounting estimated volume. This is a downwards adjustment of harvestable volume.

6.3 Reconciliation of Pine and Eucalyptus standing volume (m³)

	2026	2025
Opening balance	7 492 802	7 061 124
Increase due to growth, enumeration and purchased plantation (1)	1 026 063	1 044 563
Decrease due to harvesting and sales	(788 118)	(612 885)
	<u>7 730 747</u>	<u>7 492 802</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.

York Timber Holdings Limited

(Registration Number 1916/004890/06)

Audited Consolidated and Separate Financial Statements for the year ended 30 June 2026

Notes to the Consolidated and Separate Financial Statements

Figures in R `000

Biological assets continued...

6.4 Landholding: (Hectares)

	2026	2025
Pine	53 853	55 177
Eucalyptus	1 527	1 266
Temporary unplanted areas	4 591	3 528
Conservancy areas	31 090	31 090
Agricultural land	115	115
	<u>91 176</u>	<u>91 176</u>

Landholdings comprising 1 248 hectares have been classified as part of the disposal group held for distribution to owners. Refer to note 14 for further details.

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 utilisation) 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 3% over year one, 3% over year two and 3% over the long term. (2025: 2.5% over year one, 3% over year two and 4.5% over the long term).

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 reduce over the discount period as the remaining planted hectares reduce. Future costs, other than electricity and wages, were adjusted upwards for inflation with 3% over year one, 3% over year two and 3% over the long term (2025: 4.5% over year one, 4.5% over year two, and 4.5% over the long term). Electricity and wages were adjusted by 8.76% and 5% (2025: 6.2% and 6%), respectively.

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.

York Timber Holdings Limited

(Registration Number 1916/004890/06)

Audited Consolidated and Separate Financial Statements for the year ended 30 June 2026

Notes to the Consolidated and Separate Financial Statements

Figures in R `000

Biological assets continued...

Volumes and volume adjustment factor: The projected volumes from Microforest are risk-adjusted downwards by a weighted average of 0.1% (2025: 1%) 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):	2026	2025
Year		
Year one to five	4 141 087	3 798 301
Year six to ten	5 871 667	5 755 887
Year eleven to fifteen	5 968 433	5 938 339
Year sixteen and above	5 924 985	6 355 106
	<u>21 906 172</u>	<u>21 847 633</u>

Mature timber volumes comprising 241 123 m³ have been classified as part of the disposal group held for distribution to owners. Refer to note 14 for further details.

Key assumptions used in the calculation of the discount rate

	2026	2025
Beta factor	0.91	1.04
Risk free rate (8)	8.44%	9.96%
Cost of equity (10)	14.84%	17.16%
Post-tax cost of debt	7.67%	7.85%
After-tax weighted average cost of capital	13.12%	15.01%
Debt/equity ratio (9)	24:76	23:77

(8) The GSAB10YR yield curve was used (2025: 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.

York Timber Holdings Limited

(Registration Number 1916/004890/06)

Audited Consolidated and Separate Financial Statements for the year ended 30 June 2026

Notes to the Consolidated and Separate Financial Statements

Figures in R `000

Biological assets continued...

Unharvested fruit:

Prices: The fair value of avocado, citrus and macadamia 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.

	2026	2025
Avocado	R2.50/kg to R19.96/kg	R1.53/kg to R11.28/kg
Macadamia	R35.96/kg	R38.19/kg
Citrus	R1.09/kg to R6.41/kg	R1.57/kg to R9.07/kg

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

	2026	2025
Avocado	R0.75/kg	R1.25/kg
Macadamia	R4.62/kg	R6.89/kg
Citrus	R0.49/kg	R0.54/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.

	2026	2025
Avocado	1%	1%
Macadamia	10%	10%
Citrus	1%	1%

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

During the year 1 674 tonnes (2025: 1 851 tonnes) of agricultural produce were harvested.

	2026 Tonnes	2025 Tonnes
Avocado	507	910
Macadamia	31	33
Citrus	1 136	908
	<u>1 674</u>	<u>1 851</u>

York Timber Holdings Limited

(Registration Number 1916/004890/06)

Audited Consolidated and Separate Financial Statements for the year ended 30 June 2026

Notes to the Consolidated and Separate Financial Statements

Figures in R `000

Biological assets continued...

Mature and immature bearer plants:

2026

Bearer plant	Mature bearer plants (Hectares)	Immature bearer plants (Hectares)	Total (Hectares)
Avocado	53	-	53
Macadamia	20	-	20
Citrus	65	38	103
	<u>138</u>	<u>38</u>	<u>176</u>

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>

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 risks: 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 requirements of the Forest Stewardship Council's (FSC® (C002336)) 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 is more heat-tolerant and less dependent on water.

6.7 Pledged as security

Landholdings amounting to 91 176 hectares (2025: 91 176) with biological assets valued at R3.5 billion (2025: R3.2 billion) were encumbered in favour of Micawber 558 Proprietary Limited (unrelated to the Company) as security for loans and borrowings as per note 17.

York Timber Holdings Limited

(Registration Number 1916/004890/06)

Audited Consolidated and Separate Financial Statements for the year ended 30 June 2026

Notes to the Consolidated and Separate Financial Statements

Figures in R `000

Biological assets continued...

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:

	2026	2025
100 basis points increase in the current log price	60 171	53 987
25 basis points increase in forecasted log prices (year 1 and 2 and long term)	112 057	100 686
25 basis points increase in the forecast cost inflation rate	(41 722)	(33 710)
50 basis points increase in the pre-tax cost of debt	(25 292)	(22 277)
25 basis points increase in the discount rate	(71 355)	(65 435)
100 basis points increase in projected volumes	47 759	43 927

Unharvested fruit:

100 basis points increase in market prices	182	84
25 basis points increase in harvesting cost	(4)	(2)
100 basis points increase in volumes	166	74

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	1 262 326
-----------------------------	---	---	-----------	-----------

7.2 Investments in subsidiaries

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

York Timber Holdings Limited

(Registration Number 1916/004890/06)

Audited Consolidated and Separate Financial Statements for the year ended 30 June 2026

Notes to the Consolidated and Separate Financial Statements

Figures in R `000

Investments in subsidiaries (Company) continued...

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.

7.2.2 Interest held in material subsidiaries

	Interest 2026	Carrying amount 2026	Interest 2025	Carrying amount 2025
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%	144 583
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>1 262 326</u>

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

8. Deferred tax (Group)

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.

York Timber Holdings Limited

(Registration Number 1916/004890/06)

Audited Consolidated and Separate Financial Statements for the year ended 30 June 2026

Notes to the Consolidated and Separate Financial Statements

Figures in R `000	Group 2026	Group 2025	Company 2026	Company 2025
-------------------	---------------	---------------	-----------------	-----------------

Deferred tax (Group) continued...

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:

	2026	2025
Deferred tax assets	1 364	2 613
Deferred tax liabilities	(918 088)	(870 688)
Net deferred tax liabilities	(916 724)	(868 075)
	2026	2025
Provisions, prepayments and deferred income	22 683	21 608
Estimated tax loss	43 802	45 120
Total deferred tax assets	66 485	66 728
Capital allowances	(51 147)	(66 210)
Biological assets	(927 757)	(864 812)
Defined benefit plan reserve and revaluation reserve	(4 305)	(3 781)
Total deferred tax liability	(983 209)	(934 803)
Net deferred tax liability	(916 724)	(868 075)

York Timber Holdings Limited

(Registration Number 1916/004890/06)

Audited Consolidated and Separate Financial Statements for the year ended 30 June 2026

Notes to the Consolidated and Separate Financial Statements

Figures in R `000

Deferred tax (Group) continued...

8.2 Deferred tax balances and movements - Group

	Balance as at 1 July 2025	Increase in tax losses available for set-off against future taxable income^	Deductible temporary differences^	Changes to other comprehensive income	Non-current asset held for sale	Prior year under provision^	Closing balance at 30 June 2026
Deferred tax	(868 075)	13 460	(63 152)	(632)	1 675	-	(916 724)
Total	(868 075)	13 460	(63 152)	(632)	1 675	-	(916 724)

	Balance as at 1 July 2024	Increase in tax losses available for set-off against future taxable income^	Taxable temporary differences^	Changes to other comprehensive income	Non-current asset held for sale	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)

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

York Timber Holdings Limited

(Registration Number 1916/004890/06)

Audited Consolidated and Separate Financial Statements for the year ended 30 June 2026

Notes to the Consolidated and Separate Financial Statements

Figures in R `000

Deferred tax (Group) continued...

8.3 Deferred tax asset not recognised

Assessed loss not recognised	36 201	27 578	2 430	2 296
Potential tax benefit on assessed loss	9 774	7 446	656	620

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.

The contingency insurance fund represents amounts accumulated under the Group's contingency insurance arrangement. Amounts contributed to the fund are invested by the insurer in designated low-risk investment portfolios, with investment returns credited to the Group's fund balance and reinvested. The accumulated balance is carried forward from one policy period to the next in accordance with the terms of the insurance arrangement.

The Group assesses the contractual rights arising from the contingency insurance arrangement in accordance with IFRS 9: Financial Instruments. The Group's contractual right is to the accumulated fund balance under the insurance arrangement and does not represent a direct ownership interest in the underlying investment portfolios managed by the insurer.

The financial asset is measured at amortised cost as it is held within a business model whose objective is to hold financial assets to collect contractual cash flows and the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest and investment returns that form part of the contractual return on the fund balance are recognised in profit or loss using the effective interest method.

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 R219.3 million (2025: R227.2 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.

York Timber Holdings Limited

(Registration Number 1916/004890/06)

Audited Consolidated and Separate Financial Statements for the year ended 30 June 2026

Notes to the Consolidated and Separate Financial Statements

Figures in R `000	Group 2026	Group 2025	Company 2026	Company 2025
-------------------	---------------	---------------	-----------------	-----------------

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 has 169 shares and holds a non-controlling equity interest in Westfalia Marketing Proprietary Limited (Westfalia), a South African-based unlisted fruit marketing and distribution company. In the current year, the investment in shares is classified under disposal group held for distribution to owners as per note 14.

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	87 411	138 908	-	-
Investment in shares	-	855	-	-
	87 411	139 763	-	-
Non-current assets	81 218	89 297	-	-
Current assets	6 193	50 466	-	-
	87 411	139 763	-	-

York Timber Holdings Limited

(Registration Number 1916/004890/06)

Audited Consolidated and Separate Financial Statements for the year ended 30 June 2026

Notes to the Consolidated and Separate Financial Statements

Figures in R `000	Group 2026	Group 2025	Company 2026	Company 2025
-------------------	---------------	---------------	-----------------	-----------------

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 JIBAR plus 3.38%, in line with IFRS 9 requirements.

Impairment

The expected credit loss for the inter-company loan was assessed by taking into account macroeconomic 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 Bank and Daimler since the 2025 financial year.

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	-	-	1 425 190	1 418 844
Non-current assets	-	-	1 425 190	1 418 844
Current assets	-	-	-	-
	-	-	1 425 190	1 418 844

10.2 Face value of loan

York Timbers Proprietary Limited	-	-	1 581 792	1 580 775
----------------------------------	---	---	-----------	-----------

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 the 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.

York Timber Holdings Limited

(Registration Number 1916/004890/06)

Audited Consolidated and Separate Financial Statements for the year ended 30 June 2026

Notes to the Consolidated and Separate Financial Statements

Figures in R `000	Group 2026	Group 2025	Company 2026	Company 2025
-------------------	---------------	---------------	-----------------	-----------------

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. The agricultural produce is recognised in note 14 as part of the disposal group held for distribution to owners.

11.1 Inventories comprise:

Raw materials	36 919	31 013	-	-
Consumables	66 876	69 600	-	-
Work in progress	71 873	86 064	-	-
Timber products	161 805	155 702	-	-
Agricultural produce	-	3 561	-	-
Provision for write downs	(8 496)	(8 421)	-	-
	<u>328 977</u>	<u>337 519</u>	<u>-</u>	<u>-</u>

The total movement in cost of sales regarding inventory write-downs was a loss of R75 thousand (2025: loss of R0.3 million). Inventory recognised as an expense in cost of sales from continuing operations was R1 482 million (2025: R1 418 million).

11.2 Finished goods at net realisable value

Finished goods	<u>44 049</u>	<u>43 238</u>	<u>-</u>	<u>-</u>
----------------	---------------	---------------	----------	----------

12. Trade and other receivables

Trade and other receivables, excluding, when applicable, value added tax (VAT) and prepayments, are classified as financial assets initially measured at fair value plus directly attributable transaction costs 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. 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 losses.

Derecognition

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

York Timber Holdings Limited

(Registration Number 1916/004890/06)

Audited Consolidated and Separate Financial Statements for the year ended 30 June 2026

Notes to the Consolidated and Separate Financial Statements

Figures in R `000	Group 2026	Group 2025	Company 2026	Company 2025
-------------------	---------------	---------------	-----------------	-----------------

Trade and other receivables continued...

12.1 Trade and other receivables comprise:

Trade receivables	188 916	228 158	-	178
Trade receivables impairment	(10 157)	(13 187)	-	(178)
Trade receivables - net	178 759	214 971	-	-
Other receivables	4 073	7 988	-	-
Prepaid expenses	17 524	22 292	222	289
Deposits	8 971	9 682	-	-
Employee costs in advance	1 658	2 291	-	-
Value added tax	1 418	6 507	-	152
Total trade and other receivables	212 403	263 731	222	441

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

Prepaid expenses	17 524	22 292	222	289
Value added tax	1 418	6 507	-	152
Employee costs in advance	1 658	2 291	-	-
Total non-financial instruments included in trade and other receivables	20 600	31 090	222	441
Financial assets included in trade and other receivables	191 803	232 641	-	-
Total trade and other receivables	212 403	263 731	222	441

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

At the beginning of the year	13 187	8 630	178	178
Remeasurement of loss allowance from continuing operations	(2 245)	4 775	-	-
Bad debt written off from continuing operations	(498)	(218)	(178)	-
Reclassified as discontinued operation in the current year	(287)	-	-	-
At the end of the year	10 157	13 187	-	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 R179 million (2025: R212.5 million).

Refer to note 35.2 for details on credit risk.

York Timber Holdings Limited

(Registration Number 1916/004890/06)

Audited Consolidated and Separate Financial Statements for the year ended 30 June 2026

Notes to the Consolidated and Separate Financial Statements

Figures in R `000	Group 2026	Group 2025	Company 2026	Company 2025
-------------------	---------------	---------------	-----------------	-----------------

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	108	91	-	-
Balances with banks	22 476	15 757	1	-
Money market deposits	29 179	13 188	-	-
	51 763	29 036	1	-

The carrying amount reasonably approximates its fair value.

14. Disposal group held for distributions to owners

14.1 Discontinued operations – Agricultural operations

During the year, the Board approved the unbundling of Stadsrivier Vallei Proprietary Limited, which comprises the Group's agricultural operations, which includes its avocado, citrus and macadamia orchards and the pine and eucalyptus plantation owned by Stadsrivier Vallei Proprietary Limited. As part of the transaction, the property, plant and equipment of Mbulwa Estate Proprietary Limited operations will be sold to Stadsrivier Vallei Proprietary Limited prior to the unbundling. Thereafter, the shares in Stadsrivier Vallei Proprietary Limited will be distributed to the shareholders of York Timber Holdings Limited and Stadsrivier Vallei Proprietary Limited. Following the completion of the transaction, Stadsrivier Vallei Proprietary Limited will no longer form part of the Group.

The agricultural operations are currently presented as a separate reportable segment of the Group and are considered to represent a separate major line of business. The portion of the pine and eucalyptus plantation is currently presented as part of the forestry and fleet reportable segment. Accordingly, the operations have been classified as a disposal group held for distribution to owners and as a discontinued operation in accordance with IFRS 5.

The Board formally approved the unbundling on 26 May 2026 and implementation activities had commenced by 30 June 2026. Management expects the transaction to be completed within 12 months after the reporting date. Management concluded that the distribution was highly probable at the reporting date based on the Board's formal approval, implementation activities undertaken, the expected timeframe for completion and the Group's commitment to proceed with the transaction. No impairment was recognised on the disposal group held for distribution to owners.

York Timber Holdings Limited

(Registration Number 1916/004890/06)

Audited Consolidated and Separate Financial Statements for the year ended 30 June 2026

Notes to the Consolidated and Separate Financial Statements

Figures in R `000	Group 2026	Group 2025	Company 2026	Company 2025
<i>Disposal group held for distributions to owners continued...</i>				
14.2 Profit / (loss) from discontinued operations:				
Revenue	44 572	74 667	-	-
Cost of sales*	(64 705)	(46 983)	-	-
Gross (loss) / profit	(20 133)	27 684	-	-
Other income	561	2 849	-	-
Other operating expenses	(21 476)	(21 409)	-	-
Other gains / (losses)	22	(384)	-	-
Net interest received	342	556	-	-
(Loss) / profit before tax	(40 684)	9 296	-	-
Income tax	(1 061)	(2 073)	-	-
(Loss) / profit for the year from discontinued operations	(41 745)	7 223	-	-

*The fair value loss of R17.8 million (2025: profit of R6.2 million) is included in cost of sales.

14.3 Cash flows from discontinued operations

Net cash (utilised) / generated from operating activities	(15 422)	1 718	-	-
Net cash used in investing activities	(2 897)	(62 740)	-	-
Net cash used in financing activities	(6)	(13)	-	-
Net decrease in cash attributable to discontinued operations	(18 325)	(61 035)	-	-

14.4 Assets held for distribution to owners

Non-current assets

Property, plant and equipment	140 773	-	-	-
Biological assets	10 970	-	-	-
Other financial assets	855	-	-	-

Current assets

Inventories	5 104	-	-	-
Trade and other receivables	7 532	-	-	-
Biological assets	25 527	-	-	-
Cash and cash equivalents	1 068	-	-	-
Total assets	191 829	-	-	-

York Timber Holdings Limited

(Registration Number 1916/004890/06)

Audited Consolidated and Separate Financial Statements for the year ended 30 June 2026

Notes to the Consolidated and Separate Financial Statements

Figures in R `000	Group 2026	Group 2025	Company 2026	Company 2025
-------------------	---------------	---------------	-----------------	-----------------

Disposal group held for distributions to owners continued...

14.5 Liabilities held for distribution to owners

Non-current liabilities

Deferred tax liabilities	2 737	-	-	-
--------------------------	-------	---	---	---

Current liabilities

Trade and other payables	6 440	-	-	-
--------------------------	-------	---	---	---

Total liabilities	9 177	-	-	-
--------------------------	--------------	----------	----------	----------

15. 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 year. All issued shares are paid in full.

A total of 9.7 million shares (2025: 9.7 million shares) were held by a subsidiary at 30 June 2026 and are treated as treasury shares for accounting purposes.

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
---	--------	--------	--------	--------

Issued (R'000)

474 097 739 (2025: 474 097 739) ordinary shares	23 705	23 705	23 705	23 705
9 709 026 (2025: 9 709 026) treasury shares	(485)	(485)	-	-
Rights issue cost	(6 006)	(6 006)	(6 006)	(6 006)
	17 214	17 214	17 699	17 699
Exercise of options	-	2 332	-	3 038
Share premium	1 720 820	1 718 488	1 758 766	1 755 728
	1 738 034	1 738 034	1 776 465	1 776 465

All issued shares are paid in full.

Share reconciliation - number of shares ('000)

Shares outstanding - beginning of the period	464 388	463 753	474 098	474 098
Exercise of options	-	635	-	-
Shares outstanding - closing	464 388	464 388	474 098	474 098

York Timber Holdings Limited

(Registration Number 1916/004890/06)

Audited Consolidated and Separate Financial Statements for the year ended 30 June 2026

Notes to the Consolidated and Separate Financial Statements

Figures in R `000	Group 2026	Group 2025	Company 2026	Company 2025
-------------------	---------------	---------------	-----------------	-----------------

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 R1.8 million pertains to the re-organisation of operations at the Plywood plant, 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	7 437	7 103	-	-
Non-current portion	7 437	7 103	-	-
Retirement plan contribution provision	15 155	15 000	-	-
Restructuring provision	1 800	3 158	-	-
Current portion	16 955	18 158	-	-
	24 392	25 261	-	-

16.2 Provisions

	Environmental rehabilitation	Restructuring	Retirement plan contribution provision	Total
Balance at 1 July 2025 - Group	7 103	3 158	15 000	25 261
Provisions recognised during the year	334	1 800	3 000	5 134
Utilised during the year	-	(3 158)	(2 845)	(6 003)
Balance at 30 June 2026	7 437	1 800	15 155	24 392

	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

York Timber Holdings Limited

(Registration Number 1916/004890/06)

Audited Consolidated and Separate Financial Statements for the year ended 30 June 2026

Notes to the Consolidated and Separate Financial Statements

Figures in R `000	Group 2026	Group 2025	Company 2026	Company 2025
-------------------	---------------	---------------	-----------------	-----------------

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)	427 533	397 426	-	-
Absa Capital fund loan	795	2 275	-	-
Instalment sale agreements	111 303	118 082	-	-
Absa IMX facility	95 295	85 616	-	-
Loan raising fee	(12 050)	(13 814)	-	-
	622 876	589 585	-	-
Non-current portion of borrowings	466 337	459 521	-	-
Current portion of borrowings	156 539	130 064	-	-
	622 876	589 585	-	-

The carrying amounts reasonably approximate their 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 Bank purchases the right to receive payments from certain qualifying debtors and in return advances up to 85% of the value of debtors' invoices. Absa Bank 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 it and cession of trade receivables with a maximum exposure limit of R175 million, and CGIC insurance (refer to note 12). The IMX facility bears interest at the prime interest rate less 35 basis points (2025: prime interest rate less 35 basis points) 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.

Absa Capital fund loan: This loan bears interest at an interest rate of prime less 0.75% (2025: prime less 0.75%) per annum and is payable in monthly instalments in arrears, over a period of 10 years, of which 0.5 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 to 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 Johannesburg Interbank Average Rate (JIBAR) plus a margin of 3.38% currently at 10.37% with 6 years and 8 months remaining on the repayment term and an initial capital repayment holiday up to 10 June 2027.

York Timber Holdings Limited

(Registration Number 1916/004890/06)

Audited Consolidated and Separate Financial Statements for the year ended 30 June 2026

Notes to the Consolidated and Separate Financial Statements

Figures in R `000	Group 2026	Group 2025	Company 2026	Company 2025
-------------------	---------------	---------------	-----------------	-----------------

Borrowings continued...

- Facility B: The facility has a limit of R18.8 million, that is fully utilised, with interest charged at JIBAR plus a margin of 3.30% and a base rate spread, currently at 10.24% with 6 years and 8 months remaining on the repayment term and an initial capital repayment holiday up to 10 June 2027.

- Facility C: The facility comprises a loan facility with a total approved limit of R56.3 million, which was fully drawn at reporting date. The facility bears interest at JIBAR plus a margin of 3.30% and a base rate spread, resulting in effective interest rates of 10.31% on a R26.3 million tranche and 10.31% on a R30.0 million tranche at year-end. The facility has a remaining term of six years and eight months and includes a capital repayment moratorium until 10 June 2027, after which capital repayments will commence in terms of the loan agreement.

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 and the Group is compliant with all the finance documents in the facility agreement.

Refer to note 35 for details relating to the financial risk on 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	52 119	54 122	-	-
Second to fifth year inclusive	77 360	83 192	-	-
Less: future finance charges	(18 176)	(19 232)	-	-
	<u>111 303</u>	<u>118 082</u>	<u>-</u>	<u>-</u>

These liabilities consist of 112 (2025: 101) instalment sale agreements, payable over a period of three to five years at effective interest rates of between 0.75% to 11% (2025: 9.75% to 11.25%) per annum. These liabilities are secured by plant and equipment and motor vehicles with a carrying value of R140.3 million (2025: R128.7 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.

Present value of minimum instalment sale agreement payments

Within one year	42 676	42 833	-	-
Second to fifth year inclusive	68 627	75 249	-	-
	<u>111 303</u>	<u>118 082</u>	<u>-</u>	<u>-</u>

17.4 Instalment sale providers

	2026 Number of instalment sales agreements	2026 Interest rates	2025 Number of instalment sales agreements	2025 Interest rates
Absa Bank	88	0.75% - 11.00%	70	9.75% - 11.25%
Mercedes Finance / Daimler Truck	23	9.85% - 10.75%	27	10.10% - 11.05%
Toyota Finance	1	10.00%	4	10.25%
	<u>112</u>		<u>101</u>	

York Timber Holdings Limited

(Registration Number 1916/004890/06)

Audited Consolidated and Separate Financial Statements for the year ended 30 June 2026

Notes to the Consolidated and Separate Financial Statements

Figures in R `000	Group 2026	Group 2025	Company 2026	Company 2025
-------------------	---------------	---------------	-----------------	-----------------

Borrowings continued...

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; and
- 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). The Absa securities were cancelled after year-end as part of the Stadsrivier Vallei Proprietary Limited unbundling process.

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; and
- 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 to adjust for asset-specific risk and the lease term. The lease liability is measured at amortised cost. The lease liability relates warehouses leased.

Lease payments are allocated between principal and finance costs. 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 costs on lease liabilities.

York Timber Holdings Limited

(Registration Number 1916/004890/06)

Audited Consolidated and Separate Financial Statements for the year ended 30 June 2026

Notes to the Consolidated and Separate Financial Statements

Figures in R `000	Group 2026	Group 2025	Company 2026	Company 2025
<i>Lease liabilities continued...</i>				
18.1 Lease liabilities comprise:				
Lease liability	7 708	22 678	-	-
Non-current liabilities	1 751	6 706	-	-
Current liabilities	5 957	15 972	-	-
	7 708	22 678	-	-

18.2 Contractual undiscounted cash flow

Less than one year	6 408	10 805	-	-
One to five years	1 913	7 034	-	-
	8 321	17 839	-	-

18.3 Assumptions used

Lease terms	3 to 5 years	1 - 5 years	-	-
Group's incremental borrowing rate	6.75% - 11.17%	7% - 11.25%	-	-
Adjustment to asset-specific risk - unsecured debt	0.25%	0.25%	-	-
Adjustment over the lease term	0.25%	0.25%	-	-
Effective interest rate	7.25% - 11.67%	7.50% - 11.75%	-	-

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.

York Timber Holdings Limited

(Registration Number 1916/004890/06)

Audited Consolidated and Separate Financial Statements for the year ended 30 June 2026

Notes to the Consolidated and Separate Financial Statements

Figures in R `000	Group 2026	Group 2025	Company 2026	Company 2025
-------------------	---------------	---------------	-----------------	-----------------

Retirement benefit obligations continued...

19.1 Post-retirement Medical Scheme contribution subsidies

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

Opening balance	27 367	26 438	-	-
Interest cost	3 092	3 252	-	-
Actuarial (gain) / loss	(851)	793	-	-
Benefits paid	(3 070)	(3 116)	-	-
Closing balance	26 538	27 367	-	-
Included in non-current liabilities	23 250	24 266	-	-
Included in current liabilities	3 288	3 101	-	-
	26 538	27 367	-	-

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

Actuarial gains and losses arising from changes in demographic assumptions

The actuarial gain for the current year consists of two factors: demographic and financial. The demographic factors contributed a loss of R 1 million (2025: loss of R 1 million) and the financial factors a gain of R 1.9 million (2025: gain of R 0.3 million).

19.1.2 Actuarial assumptions

The significant actuarial assumptions were as follows:

Number of retired members	33	33	-	-
Average expected discounted duration of the scheme for pensioners (years)	6.4	6.8	-	-
Discount rate (estimated corporate bond yield)	9.10%	11.30%	-	-
Medical contribution inflation rate	7.10%	9.30%	-	-

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 or loss.

York Timber Holdings Limited

(Registration Number 1916/004890/06)

Audited Consolidated and Separate Financial Statements for the year ended 30 June 2026

Notes to the Consolidated and Separate Financial Statements

Figures in R `000	Group 2026	Group 2025	Company 2026	Company 2025
Retirement benefit obligations continued...				
<i>A 1% increase in the medical inflation rate would have the following effects:</i>				
100 basis points increase: Increase in aggregate of the service cost and interest cost	161	219	-	-
100 basis points increase: Increase in defined benefit obligation	1 772	1 939	-	-
<i>A 1% change in the investment discount rate would have the following effects:</i>				
100 basis points increase: Increase in aggregate of the service cost and interest cost	108	65	-	-
100 basis points increase: Decrease in defined benefit obligation	(1 558)	(1 695)	-	-
The limitations that apply to the valuation's assumptions and methodology also apply to the sensitivity analysis. Furthermore, 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	3 161	3 116	-	-

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 12.1 years (2025: 15.4 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 2026 - Group				
Post-retirement medical benefits	3 159	3 190	9 514	42 498
Year ended 30 June 2025 - Group				
Post-retirement medical benefits	3 233	3 354	10 592	73 447

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	70	73	-	-
York Timbers Provident Fund	1 481	1 486	-	-
Alexander Forbes Provident Fund	244	379	-	-
Alexander Forbes Pension Fund	6	7	-	-

York Timber Holdings Limited

(Registration Number 1916/004890/06)

Audited Consolidated and Separate Financial Statements for the year ended 30 June 2026

Notes to the Consolidated and Separate Financial Statements

Figures in R `000	Group 2026	Group 2025	Company 2026	Company 2025
-------------------	---------------	---------------	-----------------	-----------------

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 become 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.

20.1 Trade and other payables comprise:

Trade payables	259 976	280 196	974	535
Income received in advance	-	315	-	-
Deposits received	454	311	-	-
Accruals	46 806	52 498	947	631
Payroll-related accruals	41 211	40 724	-	-
Other payables	4 020	4 489	-	-
Value added tax	-	-	39	-
Total trade and other payables	352 467	378 533	1 960	1 166

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

Income received in advance	-	315	-	-
Value added tax	-	-	39	-
Payroll-related accruals	41 211	40 724	-	-
Total non-financial liabilities included in trade and other payables	41 211	41 039	39	-
Financial liabilities included in trade and other payables	311 256	337 494	1 921	1 166
Total trade and other payables	352 467	378 533	1 960	1 166

York Timber Holdings Limited

(Registration Number 1916/004890/06)

Audited Consolidated and Separate Financial Statements for the year ended 30 June 2026

Notes to the Consolidated and Separate Financial Statements

Figures in R `000	Group 2026	Group 2025	Company 2026	Company 2025
-------------------	---------------	---------------	-----------------	-----------------

21. Commitments

Authorised capital expenditure

Property, plant and equipment and biological assets

Not yet contracted for and authorised by directors	29 303	5 788	-	-
Already contracted for but not provided for	16 257	7 599	-	-

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.

22. Revenue

The Group recognises revenue from the:

- 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 from the sale of logs is recognised at a point in time when control of the logs transfers to the customer, which is generally upon delivery to, or collection by, the customer in accordance with the agreed terms of sale.

Payment is due either on delivery or within 30 days for customers with approved credit terms. A trade receivable is recognised when the Group's right to consideration becomes unconditional. No significant financing component is recognised as the period between the transfer of the goods and payment is one year or less.

Wood chip sales

Revenue from the sale of wood chips is recognised at a point in time when control of the goods transfers to the customer. Where the customer collects the goods from the Group's premises, control transfers upon collection. Where the Group is responsible for delivery, control generally transfers upon delivery to the customer's agreed destination.

Payment is due either on delivery or within 30 days for customers with approved credit terms. A trade receivable is recognised when the Group's right to consideration becomes unconditional. No significant financing component is recognised as the period between the transfer of the goods and payment is one year or less.

Sale of timber products (plywood and lumber sales)

York Timber Holdings Limited

(Registration Number 1916/004890/06)

Audited Consolidated and Separate Financial Statements for the year ended 30 June 2026

Notes to the Consolidated and Separate Financial Statements

Figures in R `000	Group 2026	Group 2025	Company 2026	Company 2025
-------------------	---------------	---------------	-----------------	-----------------

Revenue continued...

Revenue from the sale of plywood and lumber is recognised at a point in time when control of the goods transfers to the customer in accordance with the contractual terms of sale.

For local sales, control generally transfers upon delivery to, or collection by, the customer, depending on the agreed terms. Where the Group is responsible for arranging transportation as part of the sale, revenue is recognised when the relevant performance obligations have been satisfied in accordance with the contractual arrangements.

For export sales, the point at which control transfers is determined with reference to the applicable contractual terms, including the relevant International Commercial Terms (Incoterms®), where applicable.

A trade receivable is recognised when the Group's right to consideration becomes unconditional. No significant financing component is recognised as the Group's normal credit terms are 30 days.

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 amounts received from the Agent in respect of produce for which control has not yet transferred to the end customer.

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

Income from fruit packing

Revenue from fruit packing services is recognised at a point in time when the packing service has been completed and the packed produce is made available to the customer. Revenue is measured based on the agreed packing rates and 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	1 876 064	1 919 246	-	-
Rendering of services	36	993	7 128	5 472
Total revenue	1 876 100	1 920 239	7 128	5 472

York Timber Holdings Limited

(Registration Number 1916/004890/06)

Audited Consolidated and Separate Financial Statements for the year ended 30 June 2026

Notes to the Consolidated and Separate Financial Statements

Figures in R `000	Group 2026	Group 2025	Company 2026	Company 2025
Revenue continued...				
22.2 Disaggregation of revenue from contracts with customers:				
Sale of goods				
Log sales	191 724	207 025	-	-
Lumber sales	1 009 343	973 778	-	-
Wood chip sales and other revenue (1)	49 182	53 694	-	-
Plywood sales	625 815	684 749	-	-
	<u>1 876 064</u>	<u>1 919 246</u>	<u>-</u>	<u>-</u>
Rendering of services				
Accommodation income	29	169	-	-
Admin and management fees	-	-	7 128	5 472
Transport income	7	824	-	-
	<u>36</u>	<u>993</u>	<u>7 128</u>	<u>5 472</u>
Total revenue	<u>1 876 100</u>	<u>1 920 239</u>	<u>7 128</u>	<u>5 472</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	1 876 064	1 919 246	-	-
Rendering of services	7	824	7 128	5 472
	<u>1 876 071</u>	<u>1 920 070</u>	<u>7 128</u>	<u>5 472</u>
Over time				
Rendering of services - accommodation income	29	169	-	-
	<u>29</u>	<u>169</u>	<u>-</u>	<u>-</u>
Total revenue from contracts with customers	<u>1 876 100</u>	<u>1 920 239</u>	<u>7 128</u>	<u>5 472</u>

Refer to note 32 for revenue per geographical area.

23. Cost of sales

Cost of sales comprise:

Raw material, timber purchases and transport	759 914	754 438	-	-
Fair value adjustment on biological assets	(214 037)	(429 184)	-	-
Employee costs	325 372	311 569	-	-
Utilities	103 287	93 656	-	-
Depreciation	74 973	69 108	-	-
External log purchases	178 158	275 641	-	-
Total cost of sales	<u>1 227 667</u>	<u>1 075 228</u>	<u>-</u>	<u>-</u>

York Timber Holdings Limited

(Registration Number 1916/004890/06)

Audited Consolidated and Separate Financial Statements for the year ended 30 June 2026

Notes to the Consolidated and Separate Financial Statements

Figures in R `000

24. Other income

Other income comprises:

Scrap sales	926	961	-	-
Insurance income	4 782	(67)	-	-
Sundry income(1)	6 983	9 036	-	-
Bad debt recovered	3	127	-	-
Other rental income(2)	5 932	5 490	-	-
Total other income	18 626	15 547	-	-

(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

Foreign exchange rate movements

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 or 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.

Fair value adjustment on investment property

Investment property is measured at fair value at each reporting date. Any gain or loss arising from a change in fair value is recognised in the statement of profit or loss and other comprehensive income in the period in which it arises.

The investment property portfolio is valued by an external, independent valuation company with appropriate recognised professional qualifications and recent experience in the location and category of the properties being valued. External valuations are performed every three years. In the intervening periods, valuations are performed internally by the directors.

The fair value of investment property is determined using a comparable sales approach, taking into account market-related rentals in the relevant area and comparable property sales in determining the fair value of the properties. The fair value has been categorised as a Level 3 fair value and the date of the valuation was 11 June 2026.

Gain or loss on disposal of property, plant and equipment

Gains or losses on disposal of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the asset at the date of disposal and are recognised in profit or loss in the period in which the disposal occurs.

York Timber Holdings Limited

(Registration Number 1916/004890/06)

Audited Consolidated and Separate Financial Statements for the year ended 30 June 2026

Notes to the Consolidated and Separate Financial Statements

Figures in R `000	Group 2026	Group 2025	Company 2026	Company 2025
Other gains continued...				
Other gains comprise:				
Gain on disposal of property, plant and equipment	655	9 757	-	-
(Loss) / gain on foreign exchange differences	(733)	2 391	-	-
Fair value gains on investment property	2 810	-	-	-
Total other gains	2 732	12 148	-	-

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	31 089	25 532	-	-
- impairment loss	20 699	2 139	-	-
Intangible assets				
- amortisation	5	30	-	-
Right-of-use assets				
- depreciation	10 013	9 805	-	-
Other impairments				
- trade and other receivables	(2 743)	4 011	-	-
Utilities	20 882	18 731	-	-
Employee costs	135 219	118 494	-	-
Non-executive directors' remuneration	-	-	5 172	3 559
Share-based payments				
- equity-settled share-based payments	-	119	-	-
Insurance	45 416	44 116	-	-
Repairs and maintenance	16 517	14 302	-	-
Security	26 617	21 768	-	-
Roads	22 681	21 930	-	-
Other operating expenses	74 627	81 968	592	940
Short-term leases	1 273	2 239	-	-
Admin and consultation fees	16 109	19 793	1 363	973
Auditors' remuneration - Deloitte: External audit	5 719	5 043	-	-
Auditors' remuneration - Deloitte: Other assurance and related services	135	135	-	-
Total operating expenses	424 258	390 155	7 127	5 472

York Timber Holdings Limited

(Registration Number 1916/004890/06)

Audited Consolidated and Separate Financial Statements for the year ended 30 June 2026

Notes to the Consolidated and Separate Financial Statements

Figures in R `000	Group 2026	Group 2025	Company 2026	Company 2025
-------------------	---------------	---------------	-----------------	-----------------

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:

Bank and contingency insurance fund	13 323	18 415	4	4
Group loans	-	-	5 329	14 303
Non-investment interest	-	127	-	-
Trade and other receivables	810	426	-	-
Total finance income	14 133	18 968	5 333	14 307

28. Finance costs

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

Finance costs included in profit or loss:

Trade and other payables	707	414	-	-
Interest on borrowings held at amortised cost	70 439	72 674	-	-
Lease liabilities	676	2 278	-	-
Loan raising fee - amortised	1 763	1 955	-	-
Total finance costs	73 585	77 321	-	-

York Timber Holdings Limited

(Registration Number 1916/004890/06)

Audited Consolidated and Separate Financial Statements for the year ended 30 June 2026

Notes to the Consolidated and Separate Financial Statements

Figures in R `000	Group 2026	Group 2025	Company 2026	Company 2025
29. Income tax expense				
Income tax expense for the year comprises current and deferred taxes. Income tax expense is recognised in profit or loss.				
29.1 Income tax recognised in profit or loss:				
Current tax				
Current year	2 456	(310)	-	-
Prior periods	522	1 721	-	-
Total current tax	2 978	1 411	-	-
Deferred tax				
Prior periods	-	(2 076)	-	-
Current year	49 693	115 548	-	-
Total deferred tax	49 693	113 472	-	-
Total income tax expense	52 671	114 883	-	-
29.2 The income tax for the year can be reconciled to accounting profit as follows:				
Profit before tax from continuing operations	186 081	424 198	5 334	14 307
Income tax calculated at 27.0%	27.00%	27.00%	27.00%	27.00%
Tax effect of				
Legal fees, fines and penalties	1.19%	1.52%	0.00%	0.00%
Learnership agreements	(0.76%)	(1.32%)	0.00%	0.00%
Assessed loss not recognised	0.88%	0.08%	(0.70%)	(0.01%)
Amortisation of inter-group loans	0.00%	0.00%	(26.30%)	(26.99%)
Prior year under provision	0.00%	(0.20%)	0.00%	0.00%
Effective tax rate	28.31%	27.08%	0.00%	0.00%
Taxation related to components of other comprehensive income				
Re-measurement of defined benefit liability	(230)	214	-	-
Revaluation on property, plant and equipment	(402)	-	-	-
	(632)	214	-	-

York Timber Holdings Limited

(Registration Number 1916/004890/06)

Audited Consolidated and Separate Financial Statements for the year ended 30 June 2026

Notes to the Consolidated and Separate Financial Statements

Figures in R `000	Group 2026	Group 2025	Company 2026	Company 2025
30. Cash flows from operating activities from continuing and discontinued operations				
Profit for the year from continuing and discontinued operations	91 665	316 539	5 334	14 307
Adjustments for:				
Income tax expense	53 732	116 956	-	-
Finance income	(14 481)	(19 537)	(5 333)	(14 307)
Finance costs	73 589	77 334	-	-
Depreciation and amortisation expense	116 081	107 837	-	-
Impairment losses on property, plant and equipment	20 699	2 139	-	-
Share-based payment expense: equity-settled	-	(554)	-	-
Fair value gain on biological assets	(196 240)	(435 409)	-	-
Fair value gain on investment property	(2 810)	-	-	-
Impairment of trade receivables and trade receivable claims	(2 702)	4 557	-	-
Gains on foreign exchange realised in profit or loss	733	(2 375)	-	-
Gains on disposal of non-current assets	(655)	(9 389)	-	-
Movement in retirement benefit liabilities	22	136	-	-
Change in operating assets and liabilities:				
Decrease / (increase) in inventories	3 438	(22 644)	-	-
Decrease / (increase) in trade accounts receivable	37 479	(18 559)	-	-
(Increase) / decrease in other operating receivables	9 102	1 588	219	(172)
(Decrease) / increase in trade accounts payable	(14 951)	20 034	436	(424)
(Decrease) / increase in other operating payables	(4 019)	4 878	358	(419)
Movement in provisions	(869)	4 080	-	-
Net cash flows from operations	169 813	147 611	1 014	(1 015)
Borrowings				
Opening balance	589 585	463 410		
<i>Cashflow movement:</i>				
Repayment of borrowings	(60 141)	(40 604)	-	-
Payment of loan raising fees	-	-	-	-
Proceeds from borrowings	39 680	118 025	-	-
<i>Non cashflow movements</i>				
Loan raising fee amortisation	1 763	711	-	-
New instalment agreements entered into	51 882	47 219	-	-
Interest accrued	107	824	-	-
Closing balance	622 876	589 585	-	-

York Timber Holdings Limited

(Registration Number 1916/004890/06)

Audited Consolidated and Separate Financial Statements for the year ended 30 June 2026

Notes to the Consolidated and Separate Financial Statements

Figures in R `000	Group 2026	Group 2025	Company 2026	Company 2025
Cash flows from operating activities from continuing and discontinued operations continued...				
Lease liabilities				
Opening balance	22 678	21 922		
<i>Cashflow movement:</i>				
Repayment of leases	(11 303)	(13 685)	-	-
<i>Non cashflow movements</i>				
Disposal	(6 396)		-	-
Interest accrued	676	2 278	-	-
Additions to lease liability	2 053	12 163	-	-
Closing balance	7 708	22 678	-	-

The cash flows from operating activities include both cash flows from continuing and discontinued operations.

31. Income tax paid

Income tax paid

Amounts receivable at the beginning of the year	(5 346)	2 668	2	2
Amounts receivable/(payable) at the end of the year	2 708	5 346	(2)	(2)
Taxation credit	(52 671)	(114 883)	-	-
Less deferred tax included in taxation expense	49 693	113 472	-	-
Taxation expense (credit) related to discontinued operations	(1 061)	(2 073)	-	-
Less deferred tax included in discontinued operations	1 061	2 073	-	-
	(5 616)	6 603	-	-

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.

York Timber Holdings Limited

(Registration Number 1916/004890/06)

Audited Consolidated and Separate Financial Statements for the year ended 30 June 2026

Notes to the Consolidated and Separate Financial Statements

Figures in R `000	Group 2026	Group 2025	Company 2026	Company 2025
-------------------	---------------	---------------	-----------------	-----------------

Segment information continued...

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 Agriculture segment and a portion of the Forestry segment are included in the disposal group held for distribution to owners as per note 14. 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.

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

- Processing: The Group has aggregated two divisions. The following divisions produce timber-related products and have therefore been assessed as one segment by management.

- ~ 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. Pine and eucalyptus plantations in the Mpumalanga province that is included in this segment is part of the disposal group held for distribution to owners as per note 14.

- Wholesale: The Group has four distribution centres located in Germiston, Polokwane, Durban and Cape Town, which sell timber-related products from the sawmills, plywood plant and external suppliers.

- Agriculture: The Group owns land with avocado, citrus and macadamia orchards and a fruit packing facility in the Mpumalanga province. This segment is part of the disposal group held for distribution to owners as per note 14.

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 35.2.1 for disclosure on major customers.

Performance in internal management reports is measured on 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.

York Timber Holdings Limited

(Registration Number 1916/004890/06)

Audited Consolidated and Separate Financial Statements for the year ended 30 June 2026

Notes to the Consolidated and Separate Financial Statements

Figures in R `000	Group 2026	Group 2025	Company 2026	Company 2025
-------------------	---------------	---------------	-----------------	-----------------

Segment information continued...

32.2 Segment revenues

2026	Processing	Wholesale	Forestry and fleet	Agriculture	Total
Revenue: External sales					
• Lumber sales	708 278	301 065	-	-	1 009 343
• Plywood sales	502 176	123 639	-	-	625 815
• Fruit and nut sales	-	-	-	30 169	30 169
• Wood chip sales and other revenue	47 688	720	715	50	49 173
• Log sales (external)	7 275	-	184 449	-	191 724
• Transport income	-	-	7	-	7
• Income from fruit packed	-	-	-	14 353	14 353
Revenue: Inter-segment sales	243 236	1 666	699 437	-	944 339
	<u>1 508 653</u>	<u>427 090</u>	<u>884 608</u>	<u>44 572</u>	<u>2 864 923</u>
Revenue by Geographical location					
• South Africa	907 905	394 734	185 171	19 642	1 507 452
• SADC	189 523	30 341	-	-	219 864
• Non-SADC*	167 989	349	-	24 930	193 268
Revenue: inter-segment sales	243 236	1 666	699 437	-	944 339
	<u>1 508 653</u>	<u>427 090</u>	<u>884 608</u>	<u>44 572</u>	<u>2 864 923</u>

* International sales refer to plywood and fruit sales to Europe, Australia, Mauritius and the United Kingdom.

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>

York Timber Holdings Limited

(Registration Number 1916/004890/06)

Audited Consolidated and Separate Financial Statements for the year ended 30 June 2026

Notes to the Consolidated and Separate Financial Statements

Figures in R `000

Segment information continued...

	Processing	Wholesale	Forestry and fleet	Agriculture	Total
Revenue by Geographical location					
• South Africa	976 850	368 442	207 850	41 394	1 594 536
• SADC	201 844	25 564	-	-	227 408
• 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.

32.3 Material segment expenses

2026	Processing	Wholesale	Forestry and fleet	Agriculture	Total
Depreciation, amortisation and impairment	78 377	8 985	41 509	3 241	132 112
Employment cost	264 376	15 415	111 642	16 415	407 848
Utilities	105 315	2 096	10 803	2 820	121 034
Fuel	19 597	2 941	32 415	1 125	56 078
Transport	100 748	8 292	47 147	1 548	157 735
External log purchases	-	-	178 158	-	178 158
Insurance	22 013	908	26 090	4 011	53 022
Purchases: Inter-segment	712 777	230 768	312	4	943 861
Harvesting cost	-	-	134 894	-	134 894
Silviculture and maintenance cost	-	-	92 647	-	92 647
Reportable segment (loss) / profit #	(16 414)	26 478	147 784	(15 124)	142 724
Fair value adjustment to biological assets included in cost of sales	-	-	187 073	9 167	196 240

Being EBITDA and fair value adjustment on biological assets.

York Timber Holdings Limited

(Registration Number 1916/004890/06)

Audited Consolidated and Separate Financial Statements for the year ended 30 June 2026

Notes to the Consolidated and Separate Financial Statements

Figures in R `000

Segment information continued...

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
Fair value adjustment to biological assets included in cost of sales	-	-	429 184	6 225	435 409

Being EBITDA and fair value adjustment on biological assets.

32.4 Segment assets

2026	Processing	Wholesale	Forestry and fleet	Agriculture	Total
Property, plant and equipment	493 757	10 665	255 700	88 843	848 965
Biological assets	-	-	3 473 832	16 592	3 490 424
Inventory	243 495	55 616	29 650	5 103	333 864
Capital expenditure	65 739	-	33 522	1 831	101 092
2025					
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

York Timber Holdings Limited

(Registration Number 1916/004890/06)

Audited Consolidated and Separate Financial Statements for the year ended 30 June 2026

Notes to the Consolidated and Separate Financial Statements

Figures in R `000

Segment information continued...

32.5 Reconciliations (Group)

32.5.1 Revenue

	2026	2025
Total revenue for reportable segments	2 864 923	2 973 254
Non-reporting segment revenue	88	276
Elimination of reportable inter-segment revenue	(944 339)	(978 624)
Revenue from attributable to disposal group	(44 572)	(74 667)
Consolidated revenue	1 876 100	1 920 239

32.5.2 Operating profit

Total profit for reportable segments #	142 724	163 014
Depreciation and amortisation for reportable segment	(132 112)	(106 941)
Depreciation, amortisation and impairment for non-reporting segments	(4 671)	(3 035)
Non-reporting segments (loss) / profit #	(484)	2 844
Fair value adjustment on biological assets	196 239	435 409
Fair value adjustment on investment property	2 810	-
Loss / (profit) from disposal group included in total reportable segment profit#	19 678	(5 877)
Depreciation, amortisation and impairment from disposal group	3 551	3 362
Fair value adjustments on biological assets from disposal group	17 798	(6 225)
Operating profit	245 533	482 551

Being EBITDA and fair value adjustments on biological assets

Refer to note 35.2.1 where sales to the three largest customers are disclosed. Refer also to note 26, where the components of operating profit or loss are disclosed.

York Timber Holdings Limited

(Registration Number 1916/004890/06)

Audited Consolidated and Separate Financial Statements for the year ended 30 June 2026

Notes to the Consolidated and Separate Financial Statements

Figures in R `000

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) Sonrach Properties Proprietary Limited South African Plywood Proprietary Limited(1)(2) Stadsrivier Vallei Proprietary Limited York Power (RF) Proprietary Limited(2) York Fleet Solutions Proprietary Limited York Timbers Proprietary Limited 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%.

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

York Timber Holdings Limited

(Registration Number 1916/004890/06)

Audited Consolidated and Separate Financial Statements for the year ended 30 June 2026

Notes to the Consolidated and Separate Financial Statements

Figures in R `000

Related parties continued...

33.2 Compensation paid to directors

The compensation paid to directors disclosed below comprises of remuneration and benefits received by the directors in respect of services rendered to the Company and its subsidiaries.

2026 Name	Emoluments	Bonus	Other benefits (1)	Once-off resignation arrangements (2)	Director's fees	Total remuneration
PS Barnard	3 432	-	386	-	-	3 818
AW Brink	-	-	-	-	597	597
L Dhlamini	-	-	-	-	690	690
HM Mbanyele-Ntshinga	-	-	-	-	541	541
KM Nyanteh	-	-	-	-	778	778
N Siyotula (Chairperson)	-	-	-	-	1 249	1 249
AJ Solomons	-	-	-	-	409	409
GCD Stoltz (resigned 31 March 2026)	3 317	-	1 117	5 108	-	9 542
A van der Veen	-	-	-	-	541	541
A Zetler	-	-	-	-	444	444
Total compensation paid to directors	6 749	-	1 503	5 108	5 249	18 609

(1) Other benefits relate to expense allowance and other benefits.

(2) GCD Stoltz's remuneration includes a once-off resignation arrangement amount of R5.1 million.

The directors (A Zetler, A van der Veen and PS Barnard) held 204 343 079 shares (2025: A Zetler, A van der Veen, GCD Stoltz and PS Barnard held 205 313 531 shares) directly and indirectly in York Timber Holdings Limited.

York Timber Holdings Limited

(Registration Number 1916/004890/06)

Audited Consolidated and Separate Financial Statements for the year ended 30 June 2026

Notes to the Consolidated and Separate Financial Statements

Figures in R `000

Related parties continued...

2025 Name	Emoluments	Bonus	Other benefits (1)	Once off resignation arrangements	Director's fees	Total 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	6 983	1 272	578	-	4 405	13 238

(1) Other benefits relate to expense allowance and other benefits.

York Timber Holdings Limited

(Registration Number 1916/004890/06)

Audited Consolidated and Separate Financial Statements for the year ended 30 June 2026

Notes to the Consolidated and Separate Financial Statements

Figures in R `000	Group 2026	Group 2025	Company 2026	Company 2025
-------------------	---------------	---------------	-----------------	-----------------

Related parties continued...

33.3 Related party transactions and balances (Company)

	York Timbers Proprietary Limited	Total
Year ended 30 June 2026		
Related party transactions		
Recoveries received	7 128	7 128
Finance income on inter-company loan	5 329	5 329
Outstanding loan accounts		
Amounts receivable	1 425 190	1 425 190
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

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. Upon request of the Group, measurement of the debt service coverage ratio was waived by FMO before year-end. The Group met all covenants as at 30 June 2026 and during the year.

Financial covenant	Required ratio	Actual ratio	Compliance
Current cover ratio	> 1.5	2.6	Yes
Solvency ratio	> 45%	62%	Yes
Net debt-to-EBITDA ratio	< 5.25	3.9	Yes

York Timber Holdings Limited

(Registration Number 1916/004890/06)

Audited Consolidated and Separate Financial Statements for the year ended 30 June 2026

Notes to the Consolidated and Separate Financial Statements

Figures in R `000	Group 2026	Group 2025	Company 2026	Company 2025
Capital management continued...				
Gearing ratio			2026	2025
Borrowings payable within one year			156 539	130 064
Borrowings repayable after one year			466 337	459 521
Lease liabilities			7 708	22 678
Cash and cash equivalents			(51 763)	(29 036)
Net debt			578 821	583 227
Equity			3 153 208	3 059 464
Gearing ratio			18%	19%

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.

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.

York Timber Holdings Limited

(Registration Number 1916/004890/06)

Audited Consolidated and Separate Financial Statements for the year ended 30 June 2026

Notes to the Consolidated and Separate Financial Statements

Figures in R `000	Group 2026	Group 2025	Company 2026	Company 2025
-------------------	---------------	---------------	-----------------	-----------------

Financial risk management continued...

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) and Euro.

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 were purchased and plywood products were imported denominated in USD and Euro 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 1 million (2025: net loss of R 0.9 million) and a realised foreign exchange gain of R 0.3 million (2025: gain of R 3.3 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
30 June 2026		
Trade receivables	276	138
Trade payables	-	(29)
Cash and cash equivalents	644	381
	US Dollar exposure	Euro exposure
30 June 2025		
Trade receivables	126	176
Trade payables	(187)	(73)
Cash and cash equivalents	192	97

York Timber Holdings Limited

(Registration Number 1916/004890/06)

Audited Consolidated and Separate Financial Statements for the year ended 30 June 2026

Notes to the Consolidated and Separate Financial Statements

Figures in R `000

Financial risk management continued...

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)	
	2026	2025
South African Rand	180	45

35.1.2 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-term 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.

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% (2025: 0.5%) 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)	
	2026	2025
Borrowings	3 142	2 560
Taxation	(848)	(691)

York Timber Holdings Limited

(Registration Number 1916/004890/06)

Audited Consolidated and Separate Financial Statements for the year ended 30 June 2026

Notes to the Consolidated and Separate Financial Statements

Figures in R `000

Financial risk management continued...

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 customers and investment securities.

Exposure is as follows:

Group	2026		2025	
	Gross carrying amount	Amortised cost	Gross carrying amount	Amortised cost
Other financial assets	87 411	87 411	139 763	139 763
Trade and other receivables	201 960	191 803	245 828	232 641
Cash and cash equivalents	51 763	51 763	29 036	29 036
	341 134	330 977	414 627	401 440

Company	2026		2025	
	Gross carrying amount	Amortised cost	Gross carrying amount	Amortised cost
Loans to Group companies	1 425 190	1 425 190	1 418 844	1 418 844
Trade and other receivables	-	-	178	-
Cash and cash equivalents	1	1	-	-
	1 425 191	1 425 191	1 419 022	1 418 844

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 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.

York Timber Holdings Limited

(Registration Number 1916/004890/06)

Audited Consolidated and Separate Financial Statements for the year ended 30 June 2026

Notes to the Consolidated and Separate Financial Statements

Figures in R `000

Financial risk management continued...

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 31% (2025: 28%) of the Group's revenue is attributable to sales transactions with three (2025: three) multinational customers. The outstanding balance on these customers was approximately 33% (2025: 30%) 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	2026	2025
A	12%	11%
B	12%	10%
C	7%	7%
	31%	28%

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	
		2026	2025
FirstRand Bank Limited	BB	18 625	37 423
Absa Bank	AAA	33 030	19 382
The Hollard Insurance Group Limited (Contingency Insurance Fund)	AA	87 411	132 558
		139 066	189 363

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 outstanding beyond the 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 R0.6 million (2025: R0.2 million) were 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).

York Timber Holdings Limited

(Registration Number 1916/004890/06)

Audited Consolidated and Separate Financial Statements for the year ended 30 June 2026

Notes to the Consolidated and Separate Financial Statements

Figures in R `000

Financial risk management continued...

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: 0.4% to 2.53% (2025: 2.54% to 4.60%); and
- Corporate customers: 0.33% to 0.69% (2025: 0.97% to 0.93%).

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% (2025: 0.40%); and
- Corporate customers: 0.30% (2025: 0.30%).

For receivables aged over 90 days and covered by credit insurance, a default loss rate of 20% (2025: 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 that it was immaterial.

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

Group

30 June 2026

				90 days and over	
Independent customers	Current	30 days past due	60 days past due	past due	Total
Gross carrying amount - trade receivables	81 929	21 460	3 140	11 348	117 877
Loss allowance	(1 676)	(411)	(164)	(7 583)	(9 834)
Corporate customers					
	Current	30 days past due	60 days past due	90 days and over	Total
				past due	
Gross carrying amount - trade receivables	62 509	7 475	499	556	71 039
Loss allowance	(278)	(39)	(3)	(3)	(323)

York Timber Holdings Limited

(Registration Number 1916/004890/06)

Audited Consolidated and Separate Financial Statements for the year ended 30 June 2026

Notes to the Consolidated and Separate Financial Statements

Figures in R `000

Financial risk management continued...

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)

Company

30 June 2025	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, and ensuring 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.

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

York Timber Holdings Limited

(Registration Number 1916/004890/06)

Audited Consolidated and Separate Financial Statements for the year ended 30 June 2026

Notes to the Consolidated and Separate Financial Statements

Figures in R `000

Financial risk management continued...

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

	2026		2025	
	Facility	Utilised / Outstanding	Facility	Utilised / Outstanding
Absa IMX facility / receivable finance facility	175 000	95 295	175 000	85 616
Guarantees	4 400	4 400	1 400	-
Letter of credit	1 578	578	1 000	-
Guarantees to Eskom Holdings Limited	708	708	708	-
Forward exchange contracts	1 000	-	1 000	-
Foreign exchange settlement limit	5 000	-	5 000	-
Absa asset and vehicle finance facility	100 246	83 570	90 000	83 243
Daimler asset and vehicle finance facility	60 000	27 538	60 000	34 839
FMO facility	425 000	427 533	425 000	397 426

Absa Bank has a limited guarantee for R250 million by Stadsrivier Valleï Proprietary Limited, a fellow subsidiary, supported by security in own name:

- First continuing covering mortgage bond or R150 million over Portion 8 (a portion of portion 3) of the Farm Rietvallei No. 256.
- First continuing covering mortgage bond for R150 million over Farm Pine Valley 758.

Absa Bank has security over the following:

- Cession by the Seller of its debtor's book signed 21 June 2017.
- First continuing covering mortgage bond B2417/2021 for R150 million over Remaining extent of Portion 3 of the Farm Rooywal Number 239.
- Cession by the Seller of its Credit Guarantee Insurance Corporation of Africa Limited (Registration Number 1956/000368/06) policy number SDC 429759/D6 signed 21 August 2024.

York Timber Holdings Limited

(Registration Number 1916/004890/06)

Audited Consolidated and Separate Financial Statements for the year ended 30 June 2026

Notes to the Consolidated and Separate Financial Statements

Figures in R `000

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. 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	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
Year ended 30 June 2026 - Group							
Non-derivatives							
Trade and other payables excluding non-financial liabilities (Note 20)	311 256	-	-	-	-	311 256	311 256
Borrowings (Note 17)	118 550	39 965	111 357	289 119	137 735	696 726	523 623
Lease liabilities (Note 18)	5 321	1 087	1 913	-	-	8 321	7 708
Instalment sale agreements (Note 17)	27 476	24 643	41 221	36 141	-	129 481	111 303
Total non-derivatives	462 603	65 695	154 491	325 260	137 735	1 145 784	953 890

York Timber Holdings Limited

(Registration Number 1916/004890/06)

Audited Consolidated and Separate Financial Statements for the year ended 30 June 2026

Notes to the Consolidated and Separate Financial Statements

Figures in R `000

Financial risk management continued...

	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
Year ended 30 June 2025 - Group							
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
Instalment 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
Contractual maturities of financial liabilities							
	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
Year ended 30 June 2026 - Company							
Non-derivatives							
Trade and other payables excluding non-financial liabilities (Note 20)	1 921	-	-	-	-	1 921	1 921
Year ended 30 June 2025 - Company							
Non-derivatives							
Trade and other payables excluding non-financial liabilities (Note 20)	1 166	-	-	-	-	1 166	1 166

York Timber Holdings Limited

(Registration Number 1916/004890/06)

Audited Consolidated and Separate Financial Statements for the year ended 30 June 2026

Notes to the Consolidated and Separate Financial Statements

Figures in R `000	Group 2026	Group 2025	Company 2026	Company 2025
-------------------	---------------	---------------	-----------------	-----------------

36. Events after the reporting date

Mr Schalk Barnard was appointed as permanent Group Chief Executive Officer with effect from 1 September 2026 and continues to serve as interim Chief Financial Officer.

The Group re-negotiated the Debt Service Coverage ratio under the FMO facility subsequent to year-end reducing the minimum required ratio from 1.5 to 1.3, effective from the 30 September 2026 measurement period.

Subsequent to year-end, Absa Bank released the security held in respect of the Group's borrowings.

The directors are not aware of any other matters or circumstances that have arisen between the end of the financial year and 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 harvested its own trees in the Escarpment during the year, consistent with the revised rotation plan. In the current year, R 178.2 million (2025: R 275.6 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. Upon request of the Group, measurement of the 30 June 2026 quarter Debt Service coverage ratio was waived by FMO and a relaxation of the same covenant, for the following 12 months, was approved. Looking ahead, 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.

York Timber Holdings Limited

(Registration Number 1916/004890/06)

Audited Consolidated and Separate Financial Statements for the year ended 30 June 2026

Notes to the Consolidated and Separate Financial Statements

Figures in R `000	Group 2026	Group 2025	Company 2026	Company 2025
-------------------	---------------	---------------	-----------------	-----------------

38. Earnings per share

38.1 Basic earnings 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.

Basic earnings (cents) - continuing operations	28.73	66.63	1.13	3.02
Basic (loss) / earnings (cents) - discontinued operations	(8.99)	1.56	0.00	0.00

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

Profit for the year attributable to owners of the Company for continuing operations

133 410	309 315	5 334	14 307
---------	---------	-------	--------

(Loss) / earnings used in the calculation of basic earnings per share from discontinued operations

(41 745)	7 223	-	-
----------	-------	---	---

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

464 388	463 753	474 098	474 098
---------	---------	---------	---------

Adjusted for:

Treasury shares utilised in settlement of vested share-based payments

-	472	-	-
464 388	464 225	474 098	474 098

38.2 Diluted earnings per share

Diluted basic earnings (cents) - continuing operations	28.73	66.63	1.13	3.02
Diluted basic (loss) / earnings (cents) - discontinued operations	(8.99)	1.56	0.00	0.00

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

Earnings used in the calculation of basic earnings per share for continuing operations

133 410	309 315	5 334	14 307
---------	---------	-------	--------

(Loss) / earnings used in the calculation of basic earnings per share from discontinued operations

(41 745)	7 223	-	-
----------	-------	---	---

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

464 388	464 225	474 098	474 098
---------	---------	---------	---------

York Timber Holdings Limited

(Registration Number 1916/004890/06)

Audited Consolidated and Separate Financial Statements for the year ended 30 June 2026

Notes to the Consolidated and Separate Financial Statements

Figures in R `000	Group 2026	Group 2025	Company 2026	Company 2025
-------------------	---------------	---------------	-----------------	-----------------

Earnings per share continued...

38.3 Headline earnings 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.

Headline earnings per share (cents) - continuing operations	30.68	65.50	1.13	3.02
Diluted headline earnings per share (cents) - continuing operations	30.68	65.50	1.13	3.02
Headline (loss) / earnings per share (cents) - discontinued operations	(8.98)	1.19	0.00	0.00
Diluted headline (loss) / earnings per share (cents) - discontinued operations	(8.98)	1.19	0.00	0.00

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

Profit for the year attributable to owners of the Company for continuing operations	133 410	309 315	5 334	14 307
Gain on sale of assets	(655)	(9 389)	-	-
Tax on loss on sale of assets	177	2 535	-	-
Impairment of property, plant and equipment	20 657	2 139	-	-
Tax on impairment of property, plant and equipment	(5 577)	(578)	-	-
Fair value adjustment on investment property	(2 810)	-	-	-
Tax on fair value adjustment on investment property	759	-	-	-
Insurance payouts from loss of assets	(4 782)	67	-	-
Tax on insurance payouts from loss of assets	1 291	(18)	-	-

Earnings used in the calculation of headline earnings per share for continuing operations	142 470	304 071	5 334	14 307
--	----------------	----------------	--------------	---------------

(Loss) / profit for the year from discontinued operations	(41 745)	7 223	-	-
Impairment of property, plant and equipment	44	-	-	-
Tax on impairment of property, plant and equipment	(12)	-	-	-
Insurance payouts from loss of assets	(9)	(2 309)	-	-
Tax on insurance payouts from loss of assets	2	623	-	-

(Loss) / earnings used in the calculation of headline earnings per share for discontinued operations	(41 720)	5 537	-	-
---	-----------------	--------------	----------	----------

York Timber Holdings Limited

(Registration Number 1916/004890/06)

Audited Consolidated and Separate Financial Statements for the year ended 30 June 2026

Notes to the Consolidated and Separate Financial Statements

Figures in R `000	Group 2026	Group 2025	Company 2026	Company 2025
-------------------	---------------	---------------	-----------------	-----------------

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) / earnings per share (cents) - continuing operations	(4.92)	(0.86)	1.13	3.02
Diluted core (loss) / earnings per share (cents) - continuing operations	(4.92)	(0.86)	1.13	3.02
Core (loss) / earnings per share (cents) - discontinued operations	(6.19)	0.58	0.00	0.00
Diluted core (loss) / earnings per share (cents) - discontinued operations	(6.19)	0.58	0.00	0.00

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

Core earnings per share are as follows:

Profit for the year attributable to owners of the company for continuing operations	133 410	309 315	5 334	14 307
Fair value adjustment on biological assets	(214 037)	(429 184)	-	-
Tax on fair value adjustment on biological assets	57 790	115 880	-	-
(Loss) / earnings used in the calculation of core (loss) / earnings per share for continuing operations	(22 837)	(3 989)	5 334	14 307
Profit for the year attributable to owners of the company for discontinued operations	(41 745)	7 223	-	-
Fair value adjustment on biological assets	17 798	(6 225)	-	-
Tax on fair value adjustment on biological assets	(4 805)	1 681	-	-
(Loss) / earnings used in the calculation of core (loss) / earnings per share for discontinued operations	(28 752)	2 679	-	-

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