

RCL FOODS LIMITED  
(Incorporated in the Republic of South Africa)  
(Registration number: 1966/004972/06)  
ISIN: ZAE000179438  
Share Code: RCL  
("RCL FOODS" or "the Group")

## **TRADING STATEMENT - YEAR ENDED JUNE 2023**

In accordance with the JSE Limited Listings Requirements, shareholders are advised that RCL FOODS' headline earnings per share ("HEPS") and earnings per share ("EPS") for the year ended June 2023 ("current period") are expected to be at least 30.0% lower when compared to the reported HEPS and EPS for the year ended June 2022 ("comparative period"). HEPS is expected to be at least 35.6 cents (30.0%) lower than the comparative period reported HEPS of 118.6 cents and EPS is expected to be at least 34.2 cents (30.0%) lower than the comparative period reported EPS of 114.0 cents.

The expected decrease in the Group's HEPS and EPS is mainly driven by a special levy raised by the South African Sugar Association ("SASA") on the Group's Sugar business unit, the significant impact of loadshedding across all operations in the current period, and unrecovered feed costs in Rainbow.

The South African sugar industry is in a state of significant uncertainty since the commencement of business rescue proceedings by Tongaat Hulett Sugar and Gledhow Sugar Company. Pre-commencement levies and redistribution payments owed to SASA have not been paid and this was aggravated by the decision of the appointed business rescue practitioners of Tongaat Hulett Sugar to suspend payment of their statutory industry obligations as at 31 March 2023. As a consequence, the remaining industry participants have had to bear additional costs in the form of a special levy imposed by SASA in terms of the Sugar Act 9 of 1978 and Industry Agreement in order to cover the resulting shortfall. The net impact on RCL FOODS of special levies raised to date is R234 million (pre-tax impact). Any recovery of unpaid levies and redistribution payments from Tongaat Hulett Sugar and Gledhow Sugar Company remains a material unknown at present. Litigation has commenced in relation to the lawfulness of the decision by the appointed business rescue practitioners of Tongaat Hulett Sugar to suspend compliance with its statutory obligations.

On 29 March 2023, RCL FOODS announced the conclusion of an agreement to dispose of Vector Logistics. The transaction is subject to fulfillment of conditions precedent, some of which are still in progress. As a result, Vector Logistics will be reported as an asset held for sale in the annual financial statements.

The Group's financial results for the current period are expected to be released on SENS on Monday 4 September 2023. A further trading

statement will be released as soon as the Group has a reasonable degree of certainty as to the expected HEPS and EPS ranges for the current period.

Any forecast or estimate financial information contained herein has not been reviewed or reported on by the Group's external auditors.

Durban  
4 July 2023

Sponsor  
RAND MERCHANT BANK (A division of FirstRand Bank Limited)