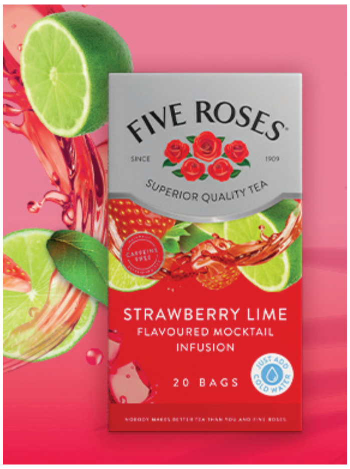
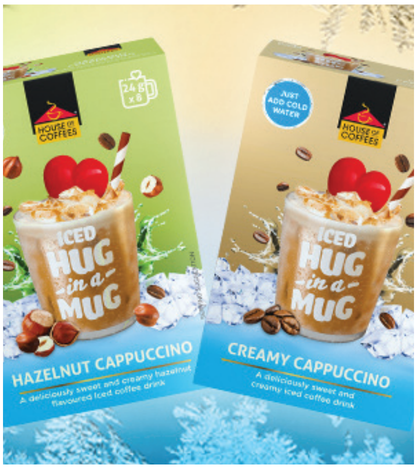
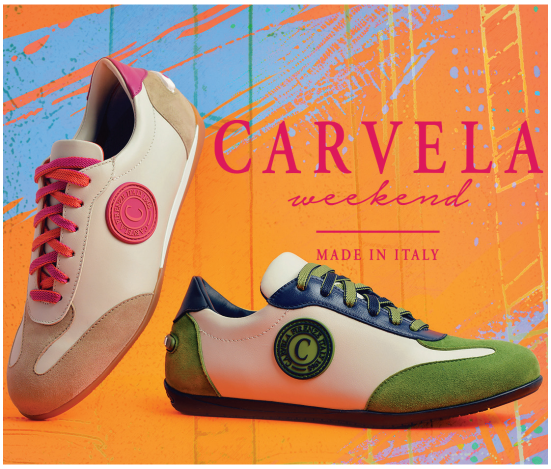
AVI

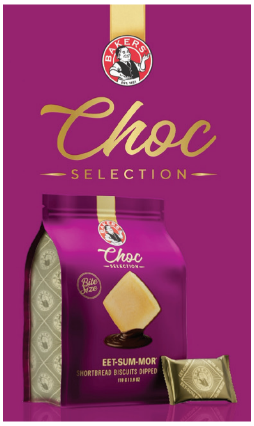
GROWING GREAT BRANDS

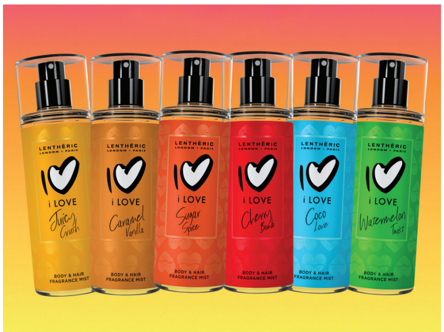
2026 COMPANY ANNUAL FINANCIAL STATEMENTS

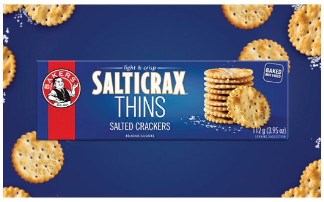


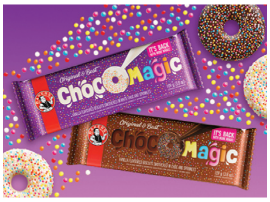


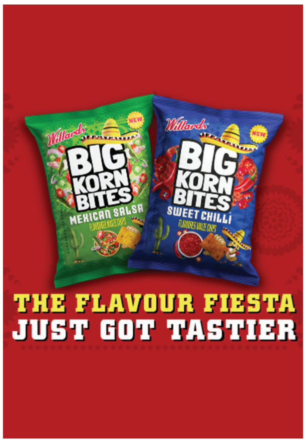


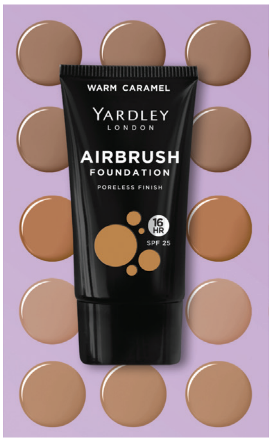


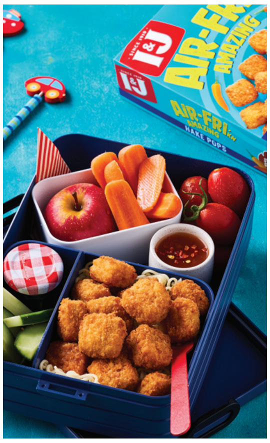










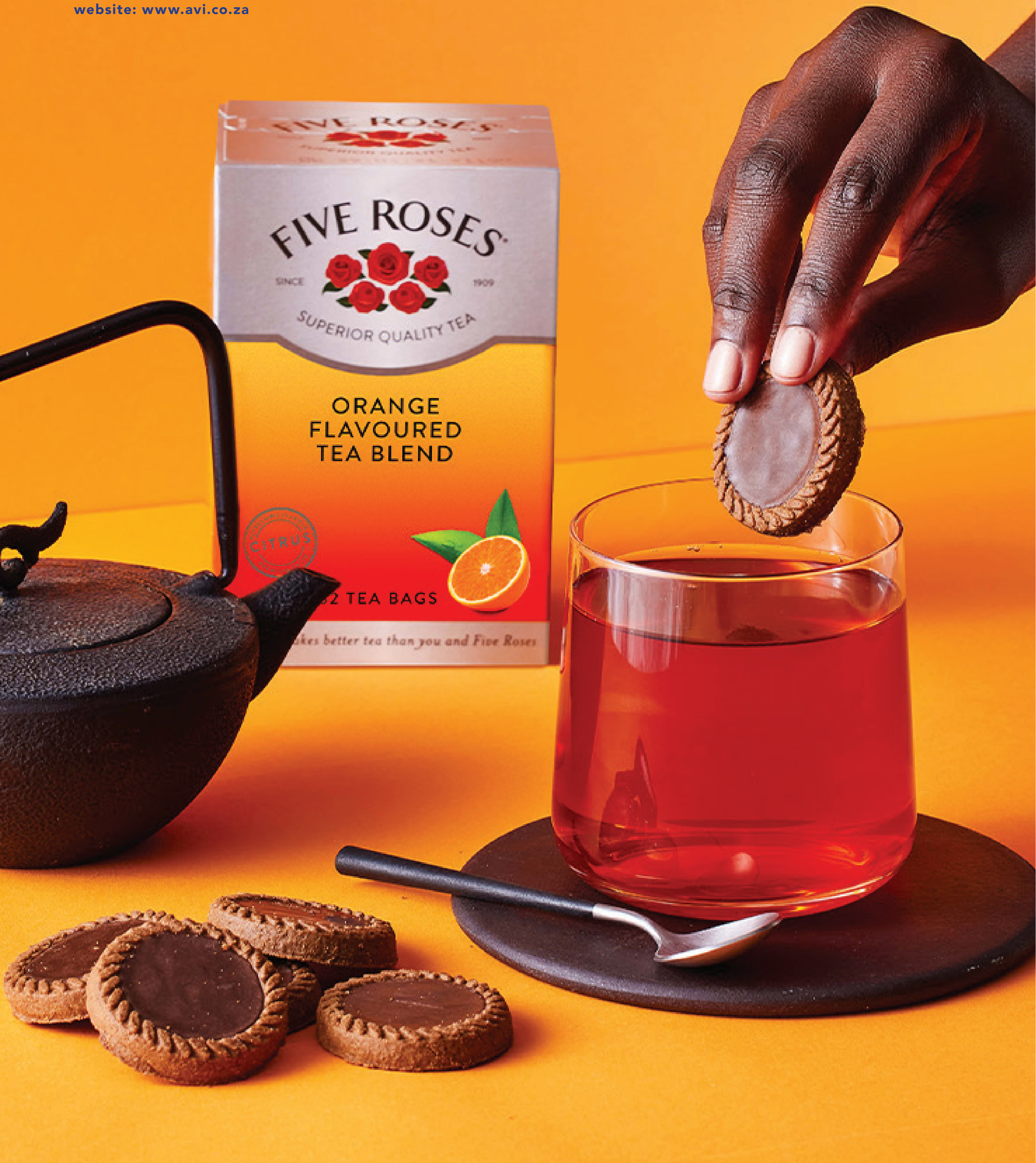


AVI

AVI LIMITED

ISIN: ZAE000049433 Share Code: AVI
Registration Number: 1944/017201/06
("AVI" or "the Group" or "the Company")

For more information please visit our website: www.avi.co.za



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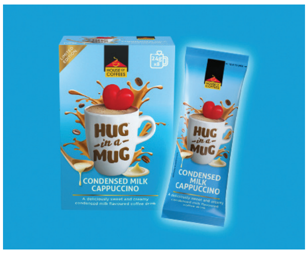
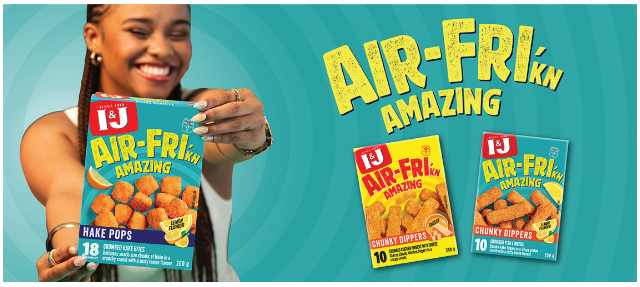
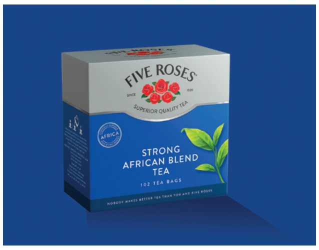
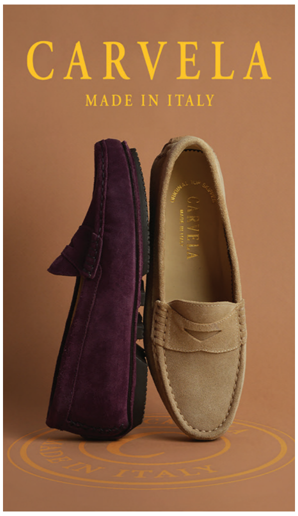
The financial statements of AVI Limited have been audited in compliance with section 30 of the Companies Act No. 71 of 2008, as amended ("the Companies Act"), and have been prepared under the supervision of Justin O'Meara, CA(SA), the AVI Group Chief Financial Officer.

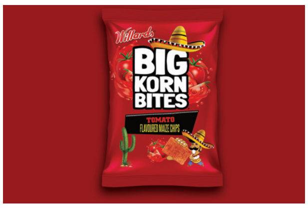
These annual financial statements for the year ended 30 June 2026 were published on 7 September 2026.











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DIRECTORS' RESPONSIBILITY STATEMENT

The directors are responsible for the preparation and fair presentation of the annual financial statements of AVI Limited ("the Company"), comprising the balance sheet as at 30 June 2026, and the statements of comprehensive income, changes in equity and cash flows for the year then ended, the accounting policies and the notes to the financial statements, which include explanatory notes in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") and the requirements of the Companies Act No. 71 of 2008, as amended ("the Companies Act"), and the directors' report.

The directors are also responsible for such internal controls as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and for maintaining adequate accounting records and an effective system of risk management.

The directors have made an assessment of the Company's ability to continue as a going concern and have no reason to believe that the business will not be a going concern in the year ahead.

The auditor is responsible for reporting on whether the annual financial statements are fairly presented in accordance with the applicable financial reporting framework.

CEO AND FINANCIAL DIRECTOR RESPONSIBILITY STATEMENT

Each of the directors, whose names are stated below, hereby confirm that –

(a) the annual financial statements set out on pages 4 to 36, fairly present in all material respects the financial position, financial performance and cash flows of the issuer in terms of IFRS Accounting Standards;

(b) to the best of our knowledge and belief, no facts have been omitted or untrue statements made that would make the annual financial statements false or misleading;

(c) internal financial controls have been put in place to ensure that material information relating to the issuer and its subsidiaries have been provided to effectively prepare the financial statements of the issuer;

(d) the internal financial controls are adequate and effective and can be relied upon in compiling the annual financial statements, having fulfilled our role and function as executive directors with primary responsibility for implementation and execution of controls;

(e) where we are not satisfied, we have disclosed to the audit committee and the auditors deficiencies in design and operational effectiveness of the internal financial controls, and have taken steps to remedy the deficiencies; and

(f) we are not aware of any fraud involving directors.

SL CRUTCHLEY

Chief Executive Officer

JC O'MEARA

Chief Financial Officer
Designated Financial Director

4 September 2026

Extract from JSE Guidance letter on directors' responsibility on financial controls dated 17 July 2020 to note for information purposes:

Materiality

In terms of the JSE Listings Requirements (as amended with effect from 16 February 2026) ("the JSE Listing Requirements") financial information must be prepared in accordance with IFRS Accounting Standards. The application of materiality is an important concept dealt with by IFRS Accounting Standards. The reference to materiality in paragraph (a) of the CEO and FD sign off must be interpreted in the context of IFRS Accounting Standards.

The second obligation under the CEO and FD sign off rule (as detailed in (b)) must be read in the context of paragraph (a). The term 'no' does not mean a one hundred percent factual correctness but rather that after due, careful and proper consideration the directors agree that no facts have been omitted or untrue statements made that would make the Annual Financial Statements ("AFS") materially false or materially misleading in terms of IFRS Accounting Standards.

APPROVAL OF ANNUAL FINANCIAL STATEMENTS

The annual financial statements of the Company, as identified in the first paragraph, were approved by the Board of directors on 4 September 2026 and are signed on their behalf.

MJ WATTERS

Non-executive Chairman
Authorised director

SL CRUTCHLEY

Chief Executive Officer
Authorised director

CERTIFICATE OF THE COMPANY SECRETARY

In terms of section 88(2)(e) of the Companies Act No. 71 of 2008, as amended, I certify that, to the best of my knowledge and belief, the Company has lodged with the Companies and Intellectual Property Commission, for the financial year ended 30 June 2026, all such returns required of a public company in terms of the Companies Act No. 71 of 2008, as amended, and that all such returns are true, correct and up to date.

VA CRYSTAL

Company Secretary
Illovo, Johannesburg

4 September 2026

DIRECTORS' REPORT

The directors have pleasure in presenting their report for the year ended 30 June 2026.

Business of the Company

AVI Limited ("the Company"), which is registered and incorporated in the Republic of South Africa with primary listing on the JSE Limited ("JSE"), and a secondary listing on A2X, is a branded consumer products company. The Company registration number is 1944/017201/06. AVI Limited and its subsidiaries ("the Group") comprises trading subsidiaries that manufacture, process, market and distribute branded consumer products in the food, beverage, footwear, apparel and cosmetics sectors. The Company is an investment holding company.

Financial

The financial results and position of the Company are fully set out in the balance sheet, statement of comprehensive income, statement of cash flows and notes thereto.

Going concern

The Company earned a net profit for the year ended 30 June 2026 of R2 529,9 million (2025: R2 477,5 million) and as of that date, its total assets exceeded its total liabilities by R2 736,4 million (2025: R2 246,4 million).

The trading environment remains challenging and uncertain. South African consumers continue to experience pressure from constrained disposable income, elevated unemployment and subdued economic growth. In addition, ongoing deterioration in municipal infrastructure in key operating regions continues to increase the cost and complexity of maintaining efficient operations. Global geopolitical uncertainty has contributed to increased volatility in fuel prices and broader inflationary pressures, resulting in additional uncertainty across supply chains and operating costs.

Despite these conditions, the Company and its investments remain focused on protecting volumes, preserving margins and optimising returns through disciplined pricing, cost management and operational efficiency initiatives. Management continues to prioritise productivity improvements and cost optimisation while maintaining competitive market positions across our portfolios.

As part of preparing the financial statements, the Company performed a detailed going concern assessment. The assessment considered the Company's financial position at 30 June 2026, the approved budget for the 2027 financial year, expected cash generation and working capital requirements, available liquidity and the Company's ability to meet its obligations as they fall due. The budget was prepared against a backdrop of continued macroeconomic uncertainty, constrained consumer spending, volatile input costs and heightened competitive intensity. Notwithstanding these challenges, the base case budget demonstrates continued profitability and strong cash generation and the ability of the Company to meet its obligations as they fall due.

A downside scenario was also considered, reflecting lower-than-anticipated consumer demand, higher fuel and operating costs, more aggressive competitor pricing and promotional activity, continued volatility in foreign exchange rates and inflation, and operational risks associated with deteriorating public infrastructure. The impact of lower I&J catch rates was also considered. Even under the downside scenario, the Company and its investments are expected to remain profitable and cash generative, with the overall financial position remaining sound and sufficient liquidity available to meet obligations as they fall due.

Based on the above assessment, no material uncertainty arises that would cast significant doubt on the Company's ability to continue as a going concern for at least 12 months from the date of approval of the annual financial statements. Accordingly, the directors consider it appropriate to adopt the going concern basis in preparing the annual financial statements.

Share capital

Details of the Company's authorised and issued share capital are given in Note 6 to the financial statements.

Issues and redemptions during the year

A summary of the movement in the number of ordinary shares in issue during the year is given in Note 6 to the financial statements.

Corporate activity

There have been no major corporate transactions during the year.

DIRECTORS' REPORT continued

General authority for the Company to acquire its own shares

The directors consider that it will be advantageous for the Company to have a general authority to acquire its own shares. Such authority will be utilised if the directors consider that it is in the best interests of the Company and shareholders to effect such acquisitions having regard to prevailing circumstances and the cash resources of the Company at the appropriate time. Accordingly, shareholders will be asked to approve such general authority at the Annual General Meeting on 10 November 2026.

Dividends

Dividends, paid and proposed, are disclosed in Note 13 to the financial statements.

Directorate

There were no changes to the Board for the year under review.

In terms of the Company's Memorandum of Incorporation, Mr MJ Watters and Mrs A Muller retire at the forthcoming Annual General Meeting. All of the retiring directors, being eligible, offer themselves for re-election.

In terms of the Companies Act, the appointments of Mr SG Robinson (Chairman), Ms MR Mouyeme and Mrs A Muller to the Audit and Risk Committee need to be approved at the forthcoming Annual General Meeting.

In terms of the Companies Act, the appointments of Mrs A Muller (Chairman), Mr MJ Watters and Ms MR Mouyeme to the Social and Ethics Committee need to be approved at the forthcoming Annual General Meeting.

Directors' service contracts

Standard terms and conditions of employment apply to executive directors, which, inter alia, provide for notice of termination of three months. Non-executive directors conclude service contracts with the Company on appointment. Their term of office is governed by the Memorandum of Incorporation which provides that one-third of the aggregate number of directors will retire by rotation at each Annual General Meeting, but may, if eligible, offer themselves for re-election.

Share schemes

Particulars of the Company's various share incentive schemes are set out in Note 6.

Directors' interests

The interests of the directors in the issued listed securities of the Company, being ordinary shares of 5 cents each, as at 30 June 2026 and 30 June 2025, are as follows:

	Direct number	Beneficial indirect number	% of total
AT 30 JUNE 2026			
SL Crutchley	**1 462 230**	–	**0,43**
JC O'Meara	**21 319**	–	**0,01**
M Koursaris	**300 893**	–	**0,09**
MJ Watters	**500**	–	**0,00**
Total	**1 784 942**	–	**0,53**
AT 30 JUNE 2025			
SL Crutchley	900 000	–	0,26
JC O'Meara	5 932	–	0,00
M Koursaris	145 836	–	0,04
MJ Watters	500	–	0,00
Total	1 052 268	–	0,30

There has been no change to the directors' interests reflected above since the reporting date.

Material shareholders

The Company does not have a holding company.

Ordinary shares

The beneficial holders of 3% or more of the issued ordinary shares of the Company at 30 June 2026, according to the information available to the directors, were:

	Number of ordinary shares	%
Government Employees Pension Fund	64 613 257	18,9
Vanguard Investment Management	13 632 263	4,0

Special resolutions passed by the Company

The following special resolutions have been passed by the Company since the previous directors' report dated 5 September 2025 to the date of this report:

- To approve the fees payable to the current non-executive directors, excluding the Chairman of the Board and the foreign non-executive director.
- To approve the fees payable to the Chairman of the Board.
- To approve the fees payable to the members of the Remuneration, Nomination and Appointments Committee, excluding the Chairman of the committee.
- To approve the fees payable to the members of the Audit and Risk Committee, excluding the Chairman of the committee.
- To approve the fees payable to the non-executive members of the Social and Ethics Committee, excluding the Chairman of the committee.
- To approve the fees payable to the Chairman of the Remuneration, Nomination and Appointments Committee.
- To approve the fees payable to the Chairman of the Audit and Risk Committee.
- To approve the fees payable to the Chairman of the Social and Ethics Committee.
- To approve the fees payable to the Chairman of the Board, should the Chairman be a foreign non-executive director.
- To approve the fees payable to the members of the Audit and Risk Committee, should the member be a foreign non-executive director.
- To approve the fees payable to the members of the Remuneration, Nomination and Appointments Committee, should the member be a foreign non-executive director.
- To approve the fees payable to the members of the Social and Ethics Committee, should the member be a foreign non-executive director.
- To authorise, by way of a general approval, the Company or any of its subsidiaries to acquire ordinary shares issued by the Company in terms of the Companies Act and Listings Requirements of the JSE.

Post-reporting date events

No material events that meet the requirements of IAS 10 have occurred since the reporting date.

AUDIT COMMITTEE REPORT

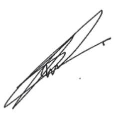
The Audit Committee is pleased to present its report for the financial year ended 30 June 2026 in terms of section 94(7)(f) of the Companies Act No. 71 of 2008, as amended ("the Companies Act").

The Audit Committee has adopted formal terms of reference, delegated to it by the Board of directors, as its charter. The charter 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 Listings Requirements (as amended with effect from 16 February 2026) ("the JSE Listing Requirements"). The Audit Committee has discharged the functions delegated to it in terms of its charter. The Audit Committee's process is supported by the operating subsidiary companies which have internal review committees that monitor risk management and compliance activities. There is a formal reporting line from the various internal review committees into the Audit Committee via the Group's Chief Financial Officer. The Audit Committee noted the implementation of the King V Code of Corporate Governance for South Africa 2025 ("King V"), the provisions of which are applicable to the Company from the start of the 2027 financial year and thus from 1 July 2026. The Audit Committee charter will be reviewed and aligned to King V for the 2027 financial year.

During the year under review the Audit Committee performed the following statutory duties:

1. Reviewed and recommended for adoption by the Board such financial information as is publicly disclosed which for the year included:
   - The interim results for the six months ended 31 December 2025; and
   - The annual financial statements for the year ended 30 June 2026.
2. Considered and satisfied itself that the external auditors Ernst & Young Inc. are independent.
3. Approved the external auditor's budgeted fees and terms of engagement for the 2026 financial year.
4. Determined the non-audit related services which the external auditors were permitted to provide to AVI and reviewed the policy for the use of the external auditors for non-audit related services. All non-audit related service agreements between the AVI Group and the external auditors were pre-approved.
5. Satisfied itself that the necessary documentation and confirmations in terms of the JSE Listings Requirements were obtained from the external auditors.
6. Resolved that KPMG Inc. would continue to perform the internal audit function during the financial year.
7. Reviewed the Audit Committee charter in line with King IV recommendations.
8. Reviewed the internal audit charter in line with King IV recommendations.
9. Confirmed the internal audit plan for the 2026 financial year.
10. Ensured that appropriate financial reporting procedures exist and that they are working.
11. Confirmed that adequate whistle-blowing facilities were in place throughout the AVI Group and reviewed and considered actions taken with regard to incident reports.
12. Held separate meetings with management, the external and internal auditors to discuss any problems and reservations arising from the year end audit and other matters that they wished to discuss.
13. Noted that it had not received any complaints, either from within or outside the Company, relating either to the accounting practices, the internal audits, the content or auditing of the financial statements, the internal financial controls or any other related matter.
14. Conducted a self-evaluation exercise into its effectiveness.
15. Reviewed the suitability of Ernst & Young Inc., for re-appointment by considering, inter alia, the information stated in paragraph 5.7(h) of the JSE Listings Requirements.
16. Recommended to the Board the re-appointment of Ernst & Young Inc. as the external auditors and appointment of Mr EAL Botha as the registered auditor responsible for the audit for the year ending 30 June 2027, which will be considered at the forthcoming Annual General Meeting.
17. Evaluated and satisfied itself as to the appropriateness of the expertise and experience of the Company's financial director.
18. Satisfied itself as to the expertise, resources and experience of the Company's finance function.
19. Evaluated the underlying assessment performed by the CEO and financial director to support their declaration required in terms of paragraph 5.9 of the JSE Listings Requirements and are satisfied that it supports the declaration made.

On behalf of the Audit Committee



SG ROBINSON

Audit Committee Chairman

4 September 2026

INDEPENDENT AUDITOR'S REPORT

To the shareholders of AVI Limited

Report on the Audit of the Separate Annual Financial Statements

Opinion

We have audited the separate annual financial statements of AVI Limited ("the Company") set out on pages 12 to 36, which comprise of the separate balance sheet as at 30 June 2026, and the separate statement of comprehensive income, the separate statement of changes in equity and the separate statement of cash flows for the year then ended, and notes to the separate annual financial statements, including material accounting policy information.

In our opinion, the separate annual financial statements present fairly, in all material respects, the separate financial position of the Company as at 30 June 2026, and its separate financial performance 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 Separate Annual Financial Statements section of our report. We are independent of the Company in accordance with the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors ("IRBA Code") and other independence requirements applicable to performing audits of financial statements of the Company and 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 of the Company and 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 Number 49309 dated 15 September 2023 ("EAR Rule") we report:

Final Materiality

The ISAs recognise that:

- misstatements, including omissions, are considered to be material if the misstatements, individually or in the aggregate, could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements;
- judgements about materiality are made in light of surrounding circumstances, and are affected by the size or nature of a misstatement, or a combination of both; and
- judgements about matters that are material to users of the financial statements consider users as a group rather than as specific individual users, whose needs may vary greatly.

The amount we set as materiality represents a quantitative threshold used to evaluate the effect of misstatements to the financial statements as a whole based on our professional judgement. Qualitative factors are also considered in making final determinations regarding what is material to the financial statements.

Final Materiality

We determined final materiality to be R126,5 million which is based on 5% of profit before tax. We have identified profit before tax as the most appropriate basis as we typically believe that holding companies are evaluated by users on their ability to generate returns on their investments.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the separate annual financial statements of the current period. These matters were addressed in the context of our audit of the separate annual financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit of the Separate Annual Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the separate annual financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying separate annual financial statements.

INDEPENDENT AUDITOR'S REPORT continued

Key Audit Matters continued

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
Impairment assessment of investments in subsidiaries and related intercompany loan accounts	
Management performs an annual impairment test on the recoverability of the carrying amounts of investments and loan balances where impairment indicators exist as required by IAS 36 – Impairment of assets and IFRS 9 – Financial Instruments. Certain macroeconomic factors have continued to have a significant impact on the current economic climate, by affecting the spending patterns of consumers which continues to evolve between various products and regions. This has created uncertainties around the revenue and growth rate assumptions of the retail and consumer products businesses as well as the uncertainties surrounding the timing and amount of cash flows, when they are already inherently uncertain. Given the above, impairment testing of investments in subsidiaries and loans to subsidiaries, particularly in the footwear and apparel and food and beverage businesses required significant audit attention in the current year through extended sensitivity testing and stress tests with different economic recovery scenarios with the use of our valuation specialists. As disclosed in Note 1 the Company uses a discounted cash flow model to determine the value in use for each cash generating unit, on the basis of the following key assumptions: • forecast profits including revenue and profit growth; • discount rates; and • growth rate used to extrapolate cash flows beyond the budget period. Refer to Note 1 – Investments in subsidiaries.	Our audit procedures included, amongst others: • We involved the EY internal valuation specialists in our team to assist in evaluating management's impairment methodology and key assumptions used in the impairment calculations; • Together with the EY internal valuation specialists, we assessed management's impairment methodology by comparing it to best practices and the requirements of IAS 36 – Impairment of assets; • Our valuation specialists calculated independent weighted average cost of capitals ("WACCs") to compare to management's WACCs. Our independent WACC recalculation was based on publicly available market data for comparable companies for each of the material cash-generating units ("CGUs"); • For assumptions based on historical results, we compared the cash flow forecasts to past performance (particularly as it relates to historical working capital levels and gross profit margins); • For assumptions based on future trends and where the risk of a weakened economy is present: – We vouched CPI assumptions to current market information, which we obtained externally; – We stress tested the businesses' revenue cash flows by determining the impact of delayed economic growth, by pushing the cashflow forecasts out by one year; and – We have considered the actual trading results of the businesses' post-year-end in our assessment of the reasonability of the revenue cash flow projections. • We have performed sensitivity analyses around all the key assumptions used in the impairment model. We did this by increasing and decreasing the following assumptions in the model to determine the impact on the headroom between the total value of the investment in the CGU and the value in use as calculated by the impairment calculation model: – The WACC used to discount the cash flows; – Revenue and overheads; – Gross profit margins; – Working capital requirements; and – Maintenance and capex. • We assessed the historical reliability of cash flow forecasts prepared by management through a review of actual past performance compared to previous forecasts to understand management's ability to accurately estimate future cash flows; • We assessed historical forecasts obtained and compared these to forecasts obtained in the current year to determine management's ability to forecast accurately taking into consideration circumstances and events which arose during the financial year which were not known or present in prior years; • We assessed the adequacy of the Company's disclosures in terms of IAS 36 – Impairment of assets and IFRS 9 – Financial Instruments, in relation to the Investments and the loans receivable included in the financial statements.

Key Audit Matters continued

Key Observations:

Based on the procedures performed over Impairment assessment of investments in subsidiaries and related intercompany loan accounts, we did not identify any significant matters requiring further consideration in concluding on our procedures.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the 36-page document titled "AVI 2026 Company Annual Financial Statements", which includes the Directors' report, the Audit Committee report and the Certificate of the company secretary as required by the Companies Act of South Africa, and the Directors responsibility and approval; and in the 82-page document titled "AVI 2026 Group Annual Financial Statements", which include Directors' report, the Audit Committee report and the Certificate of the company secretary as required by the Companies Act of South Africa, which we obtained prior to the date of this report and the "AVI 2026 Integrated Annual Report", which is expected to be made available to us after that date. The other information does not include the separate annual financial statements or the group annual financial statements and our auditor's report thereon.

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

Responsibilities of the Directors for the Separate Annual Financial Statements

The directors are responsible for the preparation and fair presentation of the separate annual 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 separate annual financial statements that are free from material misstatement, whether due to fraud or error.

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

INDEPENDENT AUDITOR'S REPORT continued

Auditor's Responsibilities for the Audit of the Separate Annual Financial Statements

Our objectives are to obtain reasonable assurance about whether the separate annual 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 separate annual financial statements.

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

- Identify and assess the risks of material misstatement of the separate annual 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 separate annual 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the separate annual financial statements, including the disclosures, and whether the separate annual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or related safeguards applied.

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

Report on Other Legal and Regulatory Requirements

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that Ernst & Young Inc. has been the auditor of AVI Limited for nine years.

Ernst & Young Inc.

ERNST & YOUNG INC.

DIRECTOR - ERNEST ADRIAAN LODEWYK BOTHA
Registered Auditor
Chartered Accountant (SA)
102 Rivonia Road,
Sandton

4 September 2026

ACCOUNTING POLICIES

AVI Limited ("the Company") is a South African registered company. These are the Company's separate annual financial statements. The consolidated annual financial statements are available at the Company's registered office or on the AVI website www.avi.co.za.

Statement of compliance

The annual financial statements have been prepared in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards"), in compliance with JSE Listings Requirements (as amended with effect from 13 January 2026), the interpretations adopted by the International Accounting Standards Board ("IASB"), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, and the requirements of the Companies Act of South Africa. The annual financial statements were approved for issue by the Board of directors on 4 September 2026.

Basis of preparation

These annual financial statements are prepared in millions of South African Rands ("R'm"), which is the Company's functional currency, on the historical cost basis.

The preparation of financial statements in conformity with IFRS Accounting Standards requires management to make judgements, estimates and assumptions that may affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. 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 estimate is revised if the revision only affects that period, or in the period of the revision and future periods if the revision affects both current and future periods.

In particular, information about areas of estimation that have the most significant effect on the amounts recognised in the financial statements are described in the following notes:
Note 1, 2 – estimation of recoverable amount of investments in subsidiaries
Note 1, 2 – estimation of expected cash flows from loans to subsidiaries
Note 6 – valuation of incentive scheme options

The accounting policies set out below have been applied consistently in the periods presented in these annual financial statements. There are no new, revised or amended accounting standards, effective 1 July 2025, applicable to the Company.

New standards and interpretations in issue not yet effective

The Company continuously evaluates the impact of new accounting standards, amendments to accounting standards and interpretations and assesses these for applicability to the Company. The new accounting standards and amendments to accounting standards issued which are material to the Company, but not yet effective on 30 June 2026, include:

IFRS 18 – Presentation and Disclosure of Financial Statements

The new standard on presentation and disclosure of financial statements focuses on updates to the statement of profit or loss. The key new concepts introduced in IFRS 18 relate to:
- the structure of the statement of profit or loss;
- required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements; and
- enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

The Company is still assessing the impact of these amendments which are effective for the Company's annual reporting period beginning on 1 July 2027.

Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise cash balances on hand and deposits held on call with banks.

Dividends payable

Dividends payable are recognised in the period in which such dividends are declared.

ACCOUNTING POLICIES continued

Financial instruments

Financial instruments are recognised on the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument.

Financial instruments are recognised initially at fair value plus, for instruments not at fair value through profit or loss, any directly attributable transaction costs when the Company becomes a party to the contractual arrangements. Subsequent to initial recognition, these instruments are measured in accordance with their classification as set out below:

Financial asset classification and measurement

Financial assets are classified into the following three principle categories: financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income and debt instruments at amortised cost. The classification depends on the contractual cash flow characteristics and the business models for managing the financial assets, and is determined at the time of initial recognition.

The Company does not have any financial assets at fair value through profit or loss or at fair value through other comprehensive income.

Debt instruments at amortised cost

Debt instruments at amortised cost (including other receivables, bank balances, loans to subsidiaries and cash) are measured at amortised cost using the effective interest method, less any impairment.

Amortised cost is calculated considering any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate.

The Company measures financial assets at amortised cost if both of the following conditions are met:
- the financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial liability classification and measurement

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

The Company does not have any financial liabilities at fair value through profit or loss.

Other financial liabilities

Other financial liabilities (including other payables) are subsequently measured at amortised cost using the effective interest method.

Offset

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet when the Company has a legally enforceable right to set off the recognised amounts, and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Derecognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or when it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred.

The Company derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

Group share scheme recharge arrangements

A recharge arrangement exists whereby the cost to the scheme of acquiring shares issued in accordance with certain share schemes granted by the holding company is funded by way of contributions from employer companies in respect of participants who are their employees. The recharge arrangement is accounted for separately from the underlying equity-settled share-based payment upon initial recognition, as follows:
- The subsidiary recognises a recharge liability at fair value, determined using generally accepted valuation techniques, and a corresponding adjustment against equity for the capital contribution recognised in respect of the share-based payment.
- The parent recognises a corresponding recharge asset at fair value and a corresponding adjustment to the carrying amount of the investment in the subsidiary.

Group share scheme recharge arrangements continued

Subsequent to initial recognition the recharge arrangement is remeasured at fair value (as an adjustment to the net capital contribution) at each subsequent reporting date until settlement date, to the extent vested. Where the recharge amount recognised is greater than the initial capital contribution recognised by the subsidiary in respect of the share-based payment, the excess is recognised as a net capital distribution to the parent in equity. The amount of the recharge in excess of the capital contribution, recognised by the parent as an increase in the investment in subsidiary, is recognised as an adjustment to the net capital contribution through a reduction in the net investment in the subsidiary.

Impairment of non-financial assets

The carrying amounts of the Company's assets other than financial assets which are separately assessed and provided against where necessary, are reviewed at each reporting date to determine whether there is any indication of impairment. If there is any indication that an asset may be impaired, its recoverable amount is estimated.

An asset's recoverable amount is the higher of an asset's or related cash-generating unit's fair value less costs of disposal and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit ("CGU") to which the asset belongs. Impairment losses are recognised in profit or loss as a capital item, when the carrying amount exceeds the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised, and when the indication of impairment no longer exists.

Impairment of financial assets

The Company recognises expected credit losses ("ECL") for all financial assets measured at amortised cost, including recharge receivables, intercompany loans and cash and cash equivalents. ECLs represent the difference between the contractual cash flows due in accordance with the contract and the cash flows that the Company expects to receive, discounted at the original effective interest rate.

For financial assets to which the general approach is applied, the Company recognises ECLs in three stages:

- Stage 1: For exposures where there has not been a significant increase in credit risk since initial recognition, a 12 month ECL is recognised.
- Stage 2: For exposures where there has been a significant increase in credit risk since initial recognition, a lifetime ECL is recognised.
- Stage 3: For credit-impaired financial assets, a lifetime ECL is recognised.

The Company considers a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows. This is determined based on relevant information, including the financial position of the counterparty and the outcome of collection activities. The Company's exposure to credit risk is primarily attributable to receivables arising from group recharges and intercompany loans. Credit risk on cash and cash equivalents is considered limited as funds are placed with reputable financial institutions.

Investments in subsidiary companies

Investments in subsidiary companies are stated at cost, less impairment losses.

Revenue

Revenue consists of dividends received from subsidiaries. Dividends are recognised when the right to receive payment is established.

Share-based payment transactions

Transactions in which a parent grants rights to its own equity instruments directly to the employees of its subsidiaries are classified as equity-settled in the financial statements of the parent.

The parent recognises in equity the equity-settled share-based payment and recognises a corresponding increase in the investment in subsidiary.

ACCOUNTING POLICIES continued

Share-based payment transactions continued

Equity-settled

The equity-settled share-based payment is measured at fair value at grant date and recognised over the period during which the employee becomes unconditionally entitled to the equity instruments. The fair value of the instruments granted is measured using generally accepted valuation techniques, taking into account the terms and conditions upon which the instruments are granted. The amount recognised is adjusted to reflect the actual number of share options that vest except where forfeiture is only due to market conditions not being met.

Share capital

Ordinary shares

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.

Repurchase of share capital

When share capital recognised as equity is repurchased, the amount of the consideration paid, including directly attributable costs, net of any tax effects, is recognised as a change to equity. Repurchased shares held by subsidiaries are classified as treasury shares and presented as a deduction from total equity. The consideration received when own shares held by the Company are re-issued is presented as a change to equity and no profit or loss is recorded.

Where loans advanced by the Company to a subsidiary to acquire treasury shares are to be repaid principally by the buy-back of such shares, the loan is classified as an equity instrument by the Company.

Taxation

Taxation on the profit or loss for the year comprises current and deferred taxation. Taxation is recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in other comprehensive income or equity.

Current taxation

Current taxation comprises tax payable calculated on the basis of the estimated taxable income for the year, using the tax rates enacted at the reporting date, and any adjustment to tax payable for previous years.

Deferred taxation

Deferred taxation is provided using the liability method based on temporary differences. Temporary differences are differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax base. The amount of deferred taxation provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities using tax rates enacted or substantively enacted at the reporting date.

Deferred taxation is charged to profit or loss except to the extent that it relates to a transaction that is recognised directly in other comprehensive income or equity, in which case it is recognised in other comprehensive income or equity, or a business combination that is an acquisition, in which case it is recognised as an adjustment to goodwill. The effect on deferred taxation of any changes in tax rates is recognised in profit or loss, except to the extent that it relates to items previously charged or credited directly to other comprehensive income or equity.

A deferred taxation asset is recognised to the extent that it is probable that future taxable profits will be available against which the associated unused tax losses and deductible temporary differences can be utilised. Deferred taxation assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Dividend withholding tax

Dividend withholding tax is a tax on shareholders receiving dividends. Shareholders who are not exempt from paying dividend tax are subject to dividend withholding tax at a rate of 20%. In terms of dividend tax legislation, the dividend tax amount is withheld and paid over to the South African Revenue Service by nominee companies, stockbrokers or the relevant Central Securities Depository Participant on behalf of shareholders. Dividends are recognised at the gross amount directly in equity.

BALANCE SHEET

as at 30 June 2026	Notes	2026 R'm	2025 R'm
ASSETS			
NON-CURRENT ASSETS			
Investments in subsidiaries	1,2	**1 562,9**	1 596,7
Group share scheme recharge receivable	3	**68,3**	83,5
		1 631,2	1 680,2
CURRENT ASSETS			
Other receivables	4	**203,1**	250,2
Cash and cash equivalents	5	**913,3**	326,5
		1 116,4	576,7
TOTAL ASSETS		**2 747,6**	2 256,9
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES			
Share capital	6	**16,8**	16,8
Share premium	6	**1 010,6**	915,8
Reserves	7	**369,5**	281,1
Retained earnings		**1 339,5**	1 032,7
TOTAL EQUITY		**2 736,4**	2 246,4
CURRENT LIABILITIES			
Other payables	8	**11,2**	10,5
TOTAL EQUITY AND LIABILITIES		**2 747,6**	2 256,9

STATEMENT OF COMPREHENSIVE INCOME

for the year ended 30 June 2026	Notes	2026 R'm	2025 R'm
REVENUE	9	**2 542,6**	2 489,7
Operating expenses		**(12,7)**	(12,2)
OPERATING PROFIT	10	**2 529,9**	2 477,5
PROFIT FOR THE YEAR		**2 529,9**	2 477,5
Taxation		**–**	–
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**2 529,9**	2 477,5

STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2026	Notes	Share capital and premium R'm	Reserves R'm	Retained earnings R'm	Total R'm
BALANCE AT BEGINNING OF YEAR		**932,6**	**281,1**	**1 032,7**	**2 246,4**
Total comprehensive income for the year					
Profit for the year		–	–	2 529,9	2 529,9
Transactions with owners recorded directly in equity					
Contributions by and distributions to owners					
Share-based payments		–	88,4	–	88,4
Dividends paid	13	–	–	(2 223,1)	(2 223,1)
Issue of ordinary shares	6	94,8	–	–	94,8
Total contributions by and distributions to owners		94,8	88,4	(2 223,1)	(2 039,9)
BALANCE AT END OF YEAR		**1 027,4**	**369,5**	**1 339,5**	**2 736,4**

for the year ended 30 June 2025	Notes	Share capital and premium R'm	Reserves R'm	Retained earnings R'm	Total R'm
BALANCE AT BEGINNING OF YEAR		875,3	178,7	1 574,2	2 628,2
Total comprehensive income for the year					
Profit for the year		–	–	2 477,5	2 477,5
Transactions with owners recorded directly in equity					
Contributions by and distributions to owners					
Share-based payments		–	102,4	–	102,4
Dividends paid	13	–	–	(3 019,0)	(3 019,0)
Issue of ordinary shares	6	57,3	–	–	57,3
Total contributions by and distributions to owners		57,3	102,4	(3 019,0)	(2 859,3)
BALANCE AT END OF YEAR		932,6	281,1	1 032,7	2 246,4

STATEMENT OF CASH FLOWS

for the year ended 30 June 2026	Notes	2026 R'm	2025 R'm
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated by operations	11	2 530,5	2 478,8
NET CASH AVAILABLE FROM OPERATING ACTIVITIES		2 530,5	2 478,8
CASH FLOWS FROM INVESTING ACTIVITIES			
Group share scheme recharge received		184,6	59,2
NET CASH AVAILABLE FROM INVESTING ACTIVITIES		184,6	59,2
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds on issue of shares	12	94,8	57,3
Ordinary dividends paid	13	(2 223,1)	(2 067,1)
Special dividend paid	13	–	(951,9)
NET CASH UTILISED IN FINANCING ACTIVITIES		(2 128,3)	(2 961,7)
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		586,8	(423,7)
Cash and cash equivalents at beginning of year		326,5	750,2
CASH AND CASH EQUIVALENTS AT END OF YEAR	5	913,3	326,5
Dividends received in operational cash flows	9	2 542,6	2 489,7

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2026

1. Investments in subsidiaries

	2026 R'm	2025 R'm
Unlisted – Shares in owned subsidiaries	**1 670,2**	1 670,2
Loans to subsidiary companies	**188,0**	188,0
	1 858,2	1 858,2
Share-based payments capitalised	**136,9**	170,7
Impairment allowance – investment in shares	**(305,1)**	(305,1)
Expected credit loss allowance – loans	**(127,1)**	(127,1)
TOTAL INVESTMENTS IN SUBSIDIARIES	**1 562,9**	1 596,7
IMPAIRMENT ALLOWANCE – INVESTMENTS IN SHARES		
Balance at beginning of year	**(305,1)**	(408,1)
Derecognition of impairment allowance on deregistration of investment	**–**	103,0
BALANCE AT END OF YEAR IN RESPECT OF INVESTMENTS IN SHARES	**(305,1)**	(305,1)
EXPECTED CREDIT LOSS ALLOWANCE – LOANS		
Balance at beginning of year	**(127,1)**	(127,1)
BALANCE AT END OF YEAR IN RESPECT OF LOANS	**(127,1)**	(127,1)

Investments in shares

Investments in shares are stated at cost less impairment allowances.

The carrying amounts of the Company's share investments in subsidiaries are reviewed at each reporting date to determine whether there is any indication of impairment. If there is any indication that an asset may be impaired, its recoverable amount is estimated.

The recoverable amount of the investment in shares and loans is the value in use using a discounted cash flow model, based on forecast profits of the business, discounted at an appropriate discount rate. Revenue and profit growth assumptions are based on the current forecasts and specific growth plans for the business, taking into account the economic environment in which the business operates.

The Company's shareholding in I&J Black Staff Holding Company Proprietary Limited was deregistered in May 2025 and the investment is therefore no longer held by the Company. The investment, together with the impairment allowance previously recognised (R103,0 million), were both derecognised in 2025.

Other than the above, based on the recoverable amount of the shares owned in investments, no adjustment to the impairment allowance was processed in the current or prior year.

Loans

Loan investments are stated at amortised cost less expected credit loss allowances. There has been no significant increase in credit risk in the current or prior period.

Refer to Note 2 for the gross carrying amounts of investments and loans to subsidiaries, and related allowances.

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 30 June 2026

2. Principal subsidiary companies of AVI Limited

Name of company and nature of business	Class	Issued permanent capital[1] 2026 R'm	Issued permanent capital[1] 2025 R'm	Effective percentage holding 2026 %	Effective percentage holding 2025 %	Shares at book value[1] 2026 R'm	Shares at book value[1] 2025 R'm	Indebtedness to the company[2] 2026 R'm	Indebtedness to the company[2] 2025 R'm
A&D SPITZ PROPRIETARY LIMITED									
– retailer of branded shoes and apparel	Ord	–	–	100	100	576,6	576,6	–	–
GREEN CROSS MANUFACTURERS PROPRIETARY LIMITED									
– management of the Green Cross trademark and property	Ord	–	–	100	100	305,0	305,0	156,9	156,9
HAMPTON SPORTSWEAR PROPRIETARY LIMITED									
– retailer of branded apparel	Ord	–	–	100	100	20,7	20,7	–	–
IRVIN & JOHNSON HOLDING COMPANY PROPRIETARY LIMITED									
– integrated fishing, processing and marketing of branded value-added fish and seafood products	Ord	–	–	100	100	540,8	540,8	–	–
INDIGO BRANDS PROPRIETARY LIMITED									
– manufacturers and distributors of leading aerosol body spray, roll-on, fragrance, cosmetics and body lotion products	Ord	–	–	100	100	–	–	–	–
NATIONAL BRANDS LIMITED									
– manufacturers and marketers of branded food and beverage products	Ord	3,5	3,5	100	100	227,1	227,1	–	–
NINA ROCHE SHOE COLLECTION PROPRIETARY LIMITED									
– licensor of shoe brands	Ord	–	–	100	100	–	–	31,1	31,1
AVI BRANDS LIMITED									
– investment holding company	Ord	–	–	100	100	–	–	–	–
						1 670,2	1 670,2	188,0	188,0
Impairment allowance/expected credit loss allowance									
– Green Cross (stage 2) (Note 1)						(305,0)	(305,0)	(96,0)	(96,0)
– Nina Roche (stage 3) (Note 1)						(0,1)	(0,1)	(31,1)	(31,1)
Share-based payments capitalised						136,9	170,7	–	–
						1 502,0	1 535,8	60,9	60,9

All companies are incorporated in South Africa.

[1] *Where the Rand amount is less than R0,1 million this is indicated as "-".*
[2] *The loans are interest-free and have no fixed repayment terms, and the Company has no intention to recall these loans within the next 12 months.*

3. Group share scheme recharge receivable

Equity instruments granted under the AVI Limited Out-Performance Scheme, the AVI Limited Deferred Bonus Share Plan and the Revised AVI Limited Executive Share Incentive Scheme are all subject to a cost recovery arrangement with participating subsidiaries upon exercise of options by employees of those companies. Refer to Note 6 for details of share incentive schemes.

The Group recharge receivable has been accounted for as follows:

	2026 R'm	2025 R'm
Group share scheme recharge receivable at fair value (Note 15)	**271,4**	333,7
Less: Short-term portion reflected in other receivables (Note 4)	**(203,1)**	(250,2)
LONG-TERM PORTION OF RECEIVABLE AT FAIR VALUE	**68,3**	83,5
THE AVI LIMITED OUT-PERFORMANCE SCHEME		
Share price (at 30 June)	**R100,53**	R94,13
Terms (years)	**0,25 – 2,25**	0,25 – 2,25
Expected vesting percentage based on Total Shareholder Return ("TSR") performances	**50th – 80th**	50th – 80th
Vesting multiple based on relative TSR performance	**0,9 – 2,4**	0,9 – 2,4
THE AVI LIMITED DEFERRED BONUS SHARE PLAN		
Share price (at 30 June)	**R100,53**	R94,13
Award price	**R75,20 – R108,00**	R63,58 – R108,00
THE REVISED AVI LIMITED EXECUTIVE SHARE INCENTIVE SCHEME		
Share price (at 30 June)	**R100,53**	R94,13
Award price	**R66,48 – R108,00**	R66,48 – R108,00

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 30 June 2026

		2026 R'm	2025 R'm
4.	**Other receivables**		
	Short-term portion of Group share scheme recharge receivable (Note 3)	203,1	250,2
5.	**Cash and cash equivalents**		
	AVI Group Treasury call deposit (Note 15)	913,1	326,1
	Bank balances	0,2	0,4
		913,3	326,5
	The AVI Group Treasury call deposit is interest-free and receivable on demand.		
6.	**Share capital and premium**		
	SHARE CAPITAL		
	Authorised		
	Ordinary share capital		
	960 000 000 (2025: 960 000 000) ordinary shares of 5 cents each	48,0	48,0
	TOTAL AUTHORISED SHARE CAPITAL	48,0	48,0
	Issued		
	Balance at beginning of year (340 146 466 ordinary shares of 5 cents each)	16,8	16,7
	Issue of ordinary shares	–*	0,1
	Balance at end of year (341 649 966 ordinary shares of 5 cents each)	16,8	16,8
	SHARE PREMIUM		
	Balance at beginning of year	915,8	858,6
	Issue of ordinary shares	94,8	57,2
	Balance at end of year	1 010,6	915,8
	TOTAL ISSUED SHARE CAPITAL AND PREMIUM	1 027,4	932,6

* *Where the Rand amount is less than R0,1 million this is indicated as "-".*

6. Share capital and premium continued

Share incentive schemes

The AVI Group's share incentive schemes, together with a summary of the movements in the respective share incentive instruments, are set out in the tables below.

The Revised AVI Limited Executive Share Incentive Scheme

The Revised AVI Limited Executive Share Incentive Scheme was approved by shareholders at the Annual General Meeting held on 3 November 2016 and replaced the AVI Limited Executive Share Incentive Scheme. Eligible participants are awarded share appreciation rights, which vest after the completion of a three-year service period, subject to the satisfaction of a performance condition, namely that the AVI return on capital employed over the period exceeds the weighted average cost of capital. Upon vesting, participants are entitled to exercise their awards by receiving AVI shares equal to the increase in value of their awards between award date and exercise date. The cost of these AVI shares is funded by way of contributions from employer companies in respect of participants who are their employees.

Date of award	Award price per instrument R	Instruments outstanding at 30 June 2025 number	Awarded number	Exercised/ lapsed number	Relinquished[1]/ forfeited number	**Instruments outstanding at 30 June 2026 number**
1 October 2020	74,52	8 860	–	(8 860)	–	**–**
1 April 2021	73,85	408 234	–	(408 234)	–	**–**
1 October 2021	86,04	59 997	–	(46 100)	–	**13 897**
1 April 2022	69,23	575 510	–	(107 705)	–	**467 805**
1 October 2022	73,43	537 932	–	(507 979)	–	**29 953**
1 April 2023	66,48	1 341 620	–	(714 496)	(74 736)	**552 388**
1 October 2023	75,20	630 217	–	(15 516)	(12 089)	**602 612**
1 April 2024	91,54	624 493	–	(3 238)	(207 096)	**414 159**
1 October 2024	108,00	208 792	–	(1 799)	(59 030)	**147 963**
1 April 2025	89,87	1 008 842	1 869[2]	(1 187)	(62 247)	**947 277**
1 October 2025	100,55	–	308 952	–	(37 884)	**271 068**
1 April 2026	103,22	–	933 381	–	–	**933 381**
		5 404 497	1 244 202	(1 815 114)	(453 082)	**4 380 503**
Weighted average award price (R)		78,13	102,54	70,96	89,64	**86,85**
Weighted average exercise price on date of exercise (R)				101,17		

The weighted average remaining contractual life of instruments outstanding as at 30 June 2026 is 1,3 years (2025: 1,2 years).

[1] *The number of relinquished instruments represents instruments sacrificed in favour of AVI Limited Out-Performance Scheme options in terms of the rules of the AVI Limited Out-Performance Scheme.*

[2] *During the current year, an additional allocation was made in respect of the 1 April 2025 award following the correction of an administrative omission in the original allocation schedule. The amendment was approved by the Remuneration Committee and corrected before the affected tranche vested.*

The share appreciation rights are available to be exercised in their entirety three years after the effective date of granting of awards, subject to the performance condition being met. Any rights not exercised by the fifth anniversary of such date will lapse. Exercises in any period prior to vesting in the third year represent the portion allowed to be exercised on retirement, death, disability or retrenchment.

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 30 June 2026

6. Share capital and premium continued

Share incentive schemes continued

The AVI Limited Out-Performance Scheme

Eligible participants are awarded notional shares, which vest after the completion of a three-year service period, and are converted to AVI shares subject to AVI's performance against an identified peer group over the vesting period.

The scheme is based on a Total Shareholder Return ("TSR") measure. TSR is the increase in value of shares after the notional reinvestment of all distributions. Allocations of notional shares are made in conjunction with the identification of the peer group against which that tranche will be measured.

At the measurement date in respect of each tranche:
- AVI's TSR and the TSR of each peer in the peer group for that tranche will be determined;
- the TSR of each peer in the peer group will be ranked in ascending order in 10 performance deciles;
- depending on the peer group decile within which AVI's TSR is ranked, a vesting multiple of between 0 times and 3,6 times will be applied to the notional shares to determine the number of shares allocated to the participant upon vesting. No shares vest if AVI's TSR is ranked below the 50th peer group percentile.

Upon vesting, each participant will receive the AVI shares due to them. The cost of the AVI shares is funded by way of contributions from employer companies in respect of participants who are their employees.

As the allocation of awards is a notional allocation, the notional shares so allocated will not attract any dividends or voting rights in the hands of participants until vested.

Date of award	Award price per instrument R	Instruments outstanding at 30 June 2025 number	Awarded number	Exercised number	Forfeited number	**Instruments outstanding at 30 June 2026 number**
1 October 2022	72,99	399 215	–	(399 215)	–	**–**
1 October 2023	74,00	551 937	–	–	(52 224)	**499 713**
1 October 2024	104,87	413 635	–	–	(56 118)	**357 517**
1 October 2025	96,62	–	378 530	–	(19 199)	**359 331**
		1 364 787	378 530	(399 215)	(127 541)	**1 216 561**
Weighted average award price (R)		83,06	96,62	72,99	90,99	**89,75**
Weighted average share price on date of exercise (R)				98,23		

The weighted average remaining contractual life of instruments outstanding as at 30 June 2026 is 1,1 years (2025: 1,3 years).

All notional shares vest three years after award date. Notional shares are converted to AVI shares only if the performance requirements are met on the vesting date.

6. Share capital and premium continued

Share incentive schemes continued

The AVI Limited Deferred Bonus Share Plan

The AVI Limited Deferred Bonus Share Plan was approved by shareholders at the Annual General Meeting held on 3 November 2016. The value of the awards allocated is determined with reference to each eligible participant's annual bonus (earned under the Group's short-term bonus incentive framework). A portion of the annual bonus is paid in cash while the deferred element is settled in equity as AVI shares and is subject to a three-year service period before vesting, during which period the bonus shares remain restricted. These shares are held by an escrow agent on behalf of participants during this vesting period. Participants are, however, eligible to receive dividends and vote at shareholder meetings.

Date of award	Award price per instrument R	Instruments outstanding at 30 June 2025 number	Awarded number	Exercised number	Forfeited number	**Instruments outstanding at 30 June 2026 number**
1 October 2022	73,43	514 329	–	(510 385)	(3 944)	**–**
1 June 2023	63,58	1 474 738	–	(1 353 271)	(121 467)	**–**
1 October 2023	75,20	575 204	–	(13 044)	(31 729)	**530 431**
1 October 2024	108,00	501 172	–	(5 382)	(30 080)	**465 710**
1 October 2025	100,55	–	310 245	(98)	(13 063)	**297 084**
		3 065 443	310 245	(1 882 180)	(200 283)	**1 293 225**
Weighted average award price (R)		74,68	100,55	66,46	74,70	**92,84**
Weighted average share price on date of exercise (R)				95,97		

The weighted average remaining contractual life of instruments outstanding as at 30 June 2026 is 1,1 years (2025: 1,1 years).

Upon vesting, the shares become unrestricted in the hands of participants. The cost of the AVI shares is funded by way of contributions from employer companies in respect of participants who are their employees.

The vesting of shares prior to the completion of the three-year restriction period represents the portion allowed to vest on retirement, death, disability or retrenchment.

The AVI Black Staff Empowerment Scheme

The AVI Black Staff Empowerment Scheme was established to provide certain full-time black employees of the Group with the opportunity of acquiring shares in the capital of the Company, and has been incorporated within the AVI Black Staff Empowerment Scheme Holding Trust ("the Trust"). The purchase of shares by the Trust for the purpose of the scheme was funded by way of loans from employer companies in respect of participants who were their employees.

Participants were granted a right to purchase ordinary AVI shares equal to the number of options awarded in three equal tranches after the fifth, sixth and seventh anniversaries of acceptance of the offer by the participant. The right to purchase was subject to the settlement of the exercise price by the participant and the express condition that the participant was still an employee at the relevant exercise date. The final allocation was made in December 2011 and the final tranche vested on 31 December 2018. The scheme established in terms of the Trust deed has terminated and no further allocations will be made.

The remaining share options at 30 June 2026 in respect of good leavers have lapsed in terms of the scheme rules. These options remain unexercised despite ongoing attempts to trace the affected participants. The Trustees have, however, resolved to allow these participants to exercise their share options should they be traced in future.

	2026 Number	2025 Number
Remaining share options	**40 124**	40 124

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 30 June 2026

6. Share capital and premium continued

Share incentive schemes continued

Restrictions

Ordinary shares in the authorised and unissued capital of the Company were placed under the control of the directors with specific authority to allot and issue them in terms of the Company's existing share incentive schemes ("the schemes"). The total number of share instruments, options or instruments convertible into ordinary shares which may be allocated for purposes of the schemes are detailed in the table below:

Share incentive scheme	Authorised number	% of total issued share capital*	Remaining authorised but not issued number
Revised AVI Limited Executive Share Incentive Scheme	5 213 369	1,5	4 602 708
AVI Limited Deferred Bonus Share Plan	4 819 747	1,5	4 509 363
AVI Limited Out-Performance Scheme	6 915 158	2,0	2 949 498
TOTAL	16 948 274	5,0	12 061 569

* *As at date authority was granted.*

Share-based payments

The fair value of the equity instruments is measured as follows:

Revised AVI Limited Executive Share Incentive Scheme	Black-Scholes valuation model
AVI Limited Out-Performance Scheme	Black-Scholes and Monte Carlo valuation methodology
AVI Limited Deferred Bonus Share Plan	Award date market price of shares

The contractual life of the equity instruments is used as an input into the model. The equity instruments are granted under a service condition and expected attrition is considered in estimating the number of options expected to vest.

The fair value of the estimated number of options expected to vest is expensed over the vesting period of the underlying equity instrument. In the event of accelerated vesting, the remaining fair value of the vested instruments is expensed in the period of vesting.

Assumptions applied in arriving at fair value of instruments issued during the year	2026	2025
EQUITY INSTRUMENTS ISSUED BY THE REVISED AVI LIMITED EXECUTIVE SHARE INCENTIVE SCHEME		
Fair value at grant date	**R14,52 – R14,69**	R15,07 – R17,19
Share price	**R76,94 – R80,74**	R69,47 – R83,28
Exercise price	**R100,55 – R103,22**	R89,87 – R108,00
Expected volatility	**19,6% – 22,4%**	22,4%
Option life	**3,5 years**	3,5 years
Dividend yield	**2,45% – 4,06%**	2,20% – 6,68%
Risk-free interest rate	**9,17% – 9,32%**	10,05% – 10,63%
EQUITY INSTRUMENTS ISSUED BY THE AVI LIMITED OUT-PERFORMANCE SCHEME		
Fair value at grant date	**R34,31**	R42,28
Share price	**R96,62**	R104,87
Option life	**3 years**	3 years
Dividend yield	**7,0%**	5,9%
Risk-free interest rate	**9,96%**	10,05%
Expected mean TSR performance	**7,2%**	5,8%
EQUITY INSTRUMENTS ISSUED BY THE AVI LIMITED DEFERRED BONUS SHARE PLAN		
Share price	**R100,55**	R108,00

The expected volatility is based on the average volatility over a period of six months prior to grant date or measurement date.

The GSAB 10-year index was used to determine a risk-free interest rate at grant date or measurement date.

		2026 R'm	2025 R'm
7.	**Reserves**		
	The balance at end of year comprises:		
	Share-based payment reserve	**756,0**	667,6
	Share buy-back reserve	**(386,5)**	(386,5)
		369,5	281,1

Share-based payment reserve

The reserve comprises the fair value of equity instruments granted to Group employees, net of tax on deductible recharges. The fair value of the instruments are measured at grant date using generally accepted valuation techniques after taking into account the terms and conditions upon which the instruments were granted.

Share buy-back reserve

The reserve represents the reversal of share premium relating to the delisting and cancellation of ordinary shares.

		2026 R'm	2025 R'm
8.	**Other payables**		
	Other payables and accrued expenses	**11,2**	10,5
9.	**Revenue**		
	Dividends – unlisted companies	**2 542,6**	2 489,7
10.	**Operating profit**		
	In arriving at the operating profit, the following have been taken into account:		
	Auditor's remuneration		
	– Fee for audit	**0,3**	0,3
	Details of the directors' remuneration are given in the related party disclosure (Note 15).		

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 30 June 2026

	2026 R'm	2025 R'm
11. Cash generated by operations		
Profit before tax	**2 529,9**	2 477,5
Cash generated by operations before working capital changes	**2 529,9**	2 477,5
Changes in working capital	**0,6**	1,3
Increase in other payables	**0,6**	1,3
Cash generated by operations	**2 530,5**	2 478,8
12. Proceeds on issue of shares		
Own ordinary shares issued	**94,8**	57,3
13. Dividends paid		
Ordinary dividends paid	**2 223,1**	2 067,1
Special dividend paid	**–**	951,9
DIVIDENDS PAID AND REFLECTED IN STATEMENT OF CHANGES IN EQUITY	**2 223,1**	3 019,0
ORDINARY SHARES		
No.104 of 388 cents, paid 21 October 2024	**–**	1 319,0
No.105 of 280 cents, paid 21 October 2024 (special dividend)	**–**	951,9
No.106 of 220 cents, paid 14 April 2025	**–**	748,1
No.107 of 406 cents, paid 20 October 2025	**1 386,1**	–
No.108 of 245 cents, paid 13 April 2026	**837,0**	–
	2 223,1	3 019,0
Ordinary final dividend No.109 of 418 cents in respect of the year ended 30 June 2026 and a special dividend No.110 of 300 cents per share were declared on 4 September 2026 and is payable on 19 October 2026. This will be at the following cost after taking account of the ordinary shares in issue at the date of approval of the Annual Report.	**2 453,0**	

The dividends have been declared out of income reserves and are subject to dividend withholding tax at a rate of 20% in respect of those shareholders who are not exempt from paying dividend withholding tax.

14. Post-reporting date events

No material events that meet the requirements of IAS 10 have occurred since the reporting date.

15. Related party transactions

	2026 R'm	2025 R'm
TRANSACTIONS WITH GROUP ENTITIES		
Administration fees paid to a subsidiary – AVI Financial Services Proprietary Limited	**0,9**	0,9
Dividends received from subsidiaries – ordinary dividends (Note 9)	**2 542,6**	2 489,7
BALANCES WITH GROUP ENTITIES		
Loans to subsidiary companies (Note 2)	**60,9**	60,9
Call account maintained with AVI Group Treasury – AVI Financial Services Proprietary Limited (Note 5)	**913,1**	326,1
Group share scheme recharge receivable from subsidiaries (Note 3)	**271,4**	333,7

Details of the principal subsidiaries and other investments are given in Note 2.

Material shareholders

The Company does not have a holding company.

Ordinary shares

The beneficial holders of 3% or more of the issued ordinary shares of the Company at 30 June 2026 according to the information available to the directors were:

	Number of ordinary shares	%
Government Employees Pension Fund	**64 613 257**	18,9
Vanguard Investment Management	**13 632 263**	4,0

Directors of the Company

Directors' emoluments

The following emoluments were paid to directors of the Company:

	2026						
	Salary R'000	Bonus and performance related payments R'000	Pension fund contributions R'000	Gains on exercise of share incentive instruments* R'000	Other benefits and allowances R'000	Total R'000	2025 Total R'000
EXECUTIVE DIRECTORS							
SL Crutchley	**17 322**	**15 746**	**1 357**	**76 215**	**2 833**	**113 473**	90 504
JC O'Meara	**6 835**	**4 300**	**631**	**18 903**	**178**	**30 847**	17 004
M Koursaris	**8 395**	**7 221**	**1 045**	**30 844**	**1 518**	**49 023**	41 167
	32 552	**27 267**	**3 033**	**125 962**	**4 529**	**193 343**	148 675

* *Gains on exercise of share incentive instruments represent the actual gain received by the director on exercising vested share instruments.*

The above directors' emoluments were paid by another AVI Group company.

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 30 June 2026

15. Related party transactions continued

Directors of the Company continued

Directors' emoluments continued

	2026 R'm	2025 R'm
NON-EXECUTIVE DIRECTORS' AND COMMITTEE FEES		
MJ Watters (Chairman)[1,2]	**3 373**	3 298
SG Robinson	**932**	879
A Muller[2]	**1 029**	971
MR Mouyeme[2]	**962**	841
VA Davies	**903**	852
Total non-executive directors' and committee fees	**7 199**	6 841
TOTAL DIRECTORS' EMOLUMENTS	**200 542**	155 516
The IFRS 2 charge in respect of share incentive instruments granted to directors is as follows:		
SL Crutchley	**27 105**	29 194
JC O'Meara	**7 654**	7 093
M Koursaris	**10 697**	10 642
	45 456	46 929

[1] *Paid in UK Pounds.*
[2] *These directors are registered VAT vendors; accordingly, the fees disclosed include VAT.*

Share incentive scheme interests

The directors of the Company have the following interests in AVI Group share incentive schemes:

The Revised AVI Limited Executive Share Incentive Scheme

Name	Date of award	Award price per instrument R	Instruments outstanding at 30 June 2025 number	Awarded number	Exercised number	Relinquished[1] number	Instruments outstanding at 30 June 2026 number
SL Crutchley	1 April 2021	73,85	392 674	–	(392 674)	–	**–**
	1 April 2022	69,23	450 295	–	–	–	**450 295**
	1 April 2023	66,48	498 092	–	–	–	**498 092**
	1 April 2024	91,54	308 219	–	–	(117 758)	**190 461**
	1 April 2025	89,87	457 497	–	–	–	**457 497**
	1 April 2026	103,22	–	432 185	–	–	**432 185**
JC O'Meara	1 October 2022	73,43	123 020	–	(123 020)	–	**–**
	1 October 2023	75,20	144 150	–	–	–	**144 150**
	1 October 2024	108,00	92 334	–	–	(39 555)	**52 779**
	1 October 2025	100,55	–	148 235	–	–	**148 235**
M Koursaris	1 April 2023	66,48	214 125	–	(214 125)	–	**–**
	1 April 2024	91,54	127 770	–	–	(49 144)	**78 626**
	1 April 2025	89,87	189 916	–	–	–	**189 916**
	1 April 2026	103,22	–	179 408	–	–	**179 408**
			2 998 092	759 828	(729 819)	(206 457)	**2 821 644**

[1] *The number of relinquished instruments represents instruments sacrificed in favour of AVI Limited Out-Performance Scheme options in terms of the rules of the AVI Limited Out-Performance Scheme.*

All options vest three years after grant date and lapse on the fifth anniversary of the grant date.

15. Related party transactions continued

Share incentive scheme interests continued

The AVI Limited Out-Performance Scheme

Name	Date of award	Award price per instrument R	Instruments outstanding at 30 June 2025 number	Awarded number	Exercised number	Forfeited number	**Instruments outstanding at 30 June 2026 number**
SL Crutchley	1 October 2022	72,99	118 861	–	(118 861)	–	**–**
	1 October 2023	74,00	128 962	–	–	–	**128 962**
	1 October 2024	104,87	100 100	–	–	–	**100 100**
	1 October 2025	96,62	–	117 758	–	–	**117 758**
JC O'Meara	1 October 2022	72,99	31 734	–	(31 734)	–	**–**
	1 October 2023	74,00	37 561	–	–	–	**37 561**
	1 October 2024	104,87	33 130	–	–	–	**33 130**
	1 October 2025	96,62	–	39 555	–	–	**39 555**
M Koursaris	1 October 2022	72,99	39 308	–	(39 308)	–	**–**
	1 October 2023	74,00	53 764	–	–	–	**53 764**
	1 October 2024	104,87	41 731	–	–	–	**41 731**
	1 October 2025	96,62	–	49 144	–	–	**49 144**
			585 151	206 457	(189 903)	–	**601 705**

All instruments vest three years after award date. Instruments are converted to shares if the performance requirements are met on the measurement date.

The AVI Limited Deferred Bonus Share Plan

Name	Date of award	Award price per instrument R	Instruments outstanding at 30 June 2025 number	Awarded number	Exercised number	Forfeited number	**Instruments outstanding at 30 June 2026 number**
SL Crutchley	1 October 2022	73,43	219 682	–	(219 682)	–	**–**
	1 June 2023	63,58	159 194	–	(159 194)	–	**–**
	1 October 2023	75,20	197 495	–	–	–	**197 495**
	1 October 2024	108,00	181 641	–	–	–	**181 641**
	1 October 2025	100,55	–	106 195	–	–	**106 195**
JC O'Meara	1 October 2022	73,43	28 433	–	(28 433)	–	**–**
	1 June 2023	63,58	51 003	–	(51 003)	–	**–**
	1 October 2023	75,20	47 542	–	–	–	**47 542**
	1 October 2024	108,00	50 668	–	–	–	**50 668**
	1 October 2025	100,55	–	29 932	–	–	**29 932**
M Koursaris	1 October 2022	73,43	60 718	–	(60 718)	–	**–**
	1 June 2023	63,58	80 371	–	(80 371)	–	**–**
	1 October 2023	75,20	68 050	–	–	–	**68 050**
	1 October 2024	108,00	63 822	–	–	–	**63 822**
	1 October 2025	100,55	–	49 585	–	–	**49 585**
			1 208 619	185 712	(599 401)	–	**794 930**

All instruments vest three years after award date. Upon vesting, the shares become unrestricted in the hands of participants.

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 30 June 2026

16. Financial risk management

16.1 Overview

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing financial risk, and the Company's management of capital. Further quantitative disclosures are included throughout these financial statements.

The Board of directors has overall responsibility for the establishment and oversight of the Company's financial risk management framework. The AVI Treasury, together with the relevant business unit executives, is responsible for developing the relevant financial risk management policies and for monitoring risk.

The Company's financial risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to identify and review changes in market conditions and the Company's activities. The Company aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The AVI Audit Committee oversees management's monitoring of compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the financial risks faced by the Company. The AVI Audit Committee is assisted in its oversight role by internal audit.

16.2 Capital management

The Board's policy is to maintain a strong working capital base so as to maintain investor, creditor and market confidence and to sustain the future development of the business.

From time to time the Company purchases its own shares in the market under general authority granted by shareholders; the timing of these purchases depends on market prices. Primarily, the shares are repurchased as part of a programme to return capital to shareholders, but some may be used for issuing shares under the AVI Group's share incentive schemes. Buying decisions are made under specific mandates from the executive directors.

There were no changes to the Company's approach to capital management during the year.

16.3 Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's cash and cash equivalents, Group share scheme recharge receivable from subsidiaries and loan receivables.

Cash and cash equivalents

The majority of the Company's investments are in liquid securities with counterparties that have sound credit ratings. Where considered necessary, security is sought. Management does not expect any counterparty to fail to meet its obligations.

16. Financial risk management continued

16.3 Credit risk continued

Guarantees

The Company's policy is to provide limited financial guarantees in respect of banking facilities for subsidiaries. At 30 June 2026 guarantees were in place for AVI Financial Services Proprietary Limited, A&D Spitz Proprietary Limited, Ciro Full Service Beverage Company Proprietary Limited, Green Cross Manufacturers Proprietary Limited, Hampton Sportswear Proprietary Limited, Indigo Brands Proprietary Limited, Indigo Brands Holdings Proprietary Limited, Irvin & Johnson Limited, Irvin & Johnson Aquaculture Proprietary Limited, Irvin & Johnson Holding Company Proprietary Limited, Irvin & Johnson International Proprietary Limited, Irvin & Johnson Property Holding Company Proprietary Limited, National Brands Limited, Nina Roche Shoe Collection Proprietary Limited and Walker Bay Canners Limited (2025: AVI Financial Services Proprietary Limited, National Brands Limited, Irvin & Johnson Holding Company Proprietary Limited, A&D Spitz Proprietary Limited, Indigo Brands Proprietary Limited, Hampton Sportswear Proprietary Limited, Green Cross Manufacturers Proprietary Limited, Ciro Full Service Beverage Company Proprietary Limited, Irvin & Johnson Aquaculture Proprietary Limited and Irvin & Johnson Property Holding Company Proprietary Limited). There have been no draw downs of the above mentioned guarantees in the current and prior year.

In addition, the Company provides limited sureties for outstanding debt under the cash management agreement for subsidiary companies that participate in AVI's cash management agreement.

Subordination agreement

The Company has subordinated its right to claim or accept repayment of a portion of its loan from Green Cross Manufacturers Proprietary Limited in favour of the other creditors until the assets of Green Cross Manufacturers Proprietary Limited, fair valued, exceed its liabilities.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	2026 R'm	2025 R'm
Loans to subsidiaries	**60,9**	60,9
Cash and cash equivalents	**913,3**	326,5
Group share scheme recharge receivable from subsidiaries	**271,4**	333,7
TOTAL	**1 245,6**	721,1

16.4 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company'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 Company's reputation.

The following are the contractual maturities of financial liabilities, including estimated interest payments, and excluding the impact of netting agreements:

	Carrying amount R'm	Contractual cash flows R'm	1 year or less R'm	+1-2 years R'm	+2-5 years R'm	More than 5 years R'm
30 JUNE 2026						
Non-derivative financial liabilities						
Other payables and accrued expenses	**11,2**	**11,2**	**11,2**	**–**	**–**	**–**
30 JUNE 2025						
Non-derivative financial liabilities						
Other payables and accrued expenses	10,5	10,5	10,5	–	–	–

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 30 June 2026

16. Financial risk management continued

16.5 Market risk

Market risk is the risk that changes in market prices, such as interest rates, will affect the 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 the return.

Interest rate risk

The Company, being strongly cash generative, adopts a policy of ensuring that most of its exposure to changes in interest rates on borrowings is on a floating rate basis. The interest rate profile of the Company relates to bank balances. At reporting date the net asset of these instruments is R0,2 million (2025: net asset of R0,4 million) and the net impact of changes in the market interest rates will therefore be minor.

An increase of 100 basis points in interest rates at the reporting date, calculated on the net closing balances (as mentioned above) and using simple interest for 12 months, would have decreased profit and equity by a negligible amount (2025: decreased by a negligible amount). A decrease of 100 basis points would have had the equal but opposite effect. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis as for 2025.

17. Financial assets and liabilities

Accounting classifications and fair values

The table below sets out the Company's classification of each class of financial assets and liabilities, including their levels in the fair value hierarchy (if applicable).

	CARRYING AMOUNT			FAIR VALUE HIERARCHY		
	Assets / Liabilities	Financial assets at fair value through profit or loss / Financial liabilities at fair value through profit or loss	Financial assets at amortised cost / Financial liabilities at amortised cost	Level 1	Level 2	Level 3
30 JUNE 2026	**R'm**	**R'm**	**R'm**	**R'm**	**R'm**	**R'm**
FINANCIAL ASSETS NOT MEASURED AT FAIR VALUE	**974,2**	**–**	**974,2**	**–**	**–**	**–**
Loans to subsidiary companies	**60,9**	**–**	**60,9**			
Cash and cash equivalents	**913,3**	**–**	**913,3**			
FINANCIAL LIABILITIES NOT MEASURED AT FAIR VALUE	**(11,2)**	**–**	**(11,2)**	**–**	**–**	**–**
Other payables and accrued expenses	**(11,2)**	**–**	**(11,2)**			
30 June 2025						
FINANCIAL ASSETS NOT MEASURED AT FAIR VALUE	387,4	–	387,4	–	–	–
Loans to subsidiary companies	60,9	–	60,9			
Cash and cash equivalents	326,5	–	326,5			
FINANCIAL LIABILITIES NOT MEASURED AT FAIR VALUE	(10,5)	–	(10,5)	–	–	–
Other payables and accrued expenses	(10,5)	–	(10,5)			

Management has assessed that the fair values of loans to subsidiary companies, cash and cash equivalents and other payables and accrued expenses approximate their carrying amounts largely due to the short-term maturities of these instruments.

18. Segment reporting

Management have assessed that this entity is managed as one segment due to the fact that it is an investment holding company. The primary source of income is dividends received. Segment reporting is not disclosed in this set of annual financial statements.

The segment report of the AVI Limited Group of companies is included in the consolidated annual financial statements available at the Company's registered office or on the AVI website www.avi.co.za.

19. Going concern

The Company earned a net profit for the year ended 30 June 2026 of R2 529,9 million (2025: R2 477,5 million) and as of that date, its total assets exceeded its total liabilities by R 2 736,4 million (2025: R2 246,4 million).

The trading environment remains challenging and uncertain. South African consumers continue to experience pressure from constrained disposable income, elevated unemployment and subdued economic growth. In addition, ongoing deterioration in municipal infrastructure in key operating regions continues to increase the cost and complexity of maintaining efficient operations. Global geopolitical uncertainty has contributed to increased volatility in fuel prices and broader inflationary pressures, resulting in additional uncertainty across supply chains and operating costs.

Despite these conditions, the Company and its investments remain focused on protecting volumes, preserving margins and optimising returns through disciplined pricing, cost management and operational efficiency initiatives. Management continues to prioritise productivity improvements and cost optimisation while maintaining competitive market positions across our portfolios.

As part of preparing the financial statements, the Company performed a detailed going concern assessment. The assessment considered the Company's financial position at 30 June 2026, the approved budget for the 2027 financial year, expected cash generation and working capital requirements, available liquidity and the Company's ability to meet its obligations as they fall due. The budget was prepared against a backdrop of continued macroeconomic uncertainty, constrained consumer spending, volatile input costs and heightened competitive intensity. Notwithstanding these challenges, the base case budget demonstrates continued profitability and strong cash generation and the ability of the Company to meet its obligations as they fall due.

A downside scenario was also considered, reflecting lower-than-anticipated consumer demand, higher fuel and operating costs, more aggressive competitor pricing and promotional activity, continued volatility in foreign exchange rates and inflation, and operational risks associated with deteriorating public infrastructure. The impact of lower I&J catch rates was also considered. Even under the downside scenario, the Company and its investments are expected to remain profitable and cash generative, with the overall financial position remaining sound and sufficient liquidity available to meet obligations as they fall due.

Based on the above assessment, no material uncertainty arises that would cast significant doubt on the Company's ability to continue as a going concern for at least 12 months from the date of approval of the annual financial statements. Accordingly, the directors consider it appropriate to adopt the going concern basis in preparing the annual financial statements.

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