KGODISO
DEVELOPMENT FUND




Integrated Report 2025

Advancing Food Security Through Inclusive Agricultural Growth

Contents

Our vision

Growing inclusive food systems

Our mission

To transform the South African food system by driving commercialisation of Black Enterprises. We do this by providing innovative and inclusive funding solutions, tailored business support and improved access to markets.

Kgodiso Fund strategic priorities

To tackle local development challenges faced by black emerging businesses in the food & beverage value chain and strive for tangible impact that affects large-scale change.

To address knowledge and skills gaps across the South African food system (e.g., applied agriculture R&D, climate resilient crop development, capacity-building in Science, Technology, Engineering and Mathematics (STEM) professions, circular economy business models, nutrition science). We will achieve this by providing competitively priced funding for:

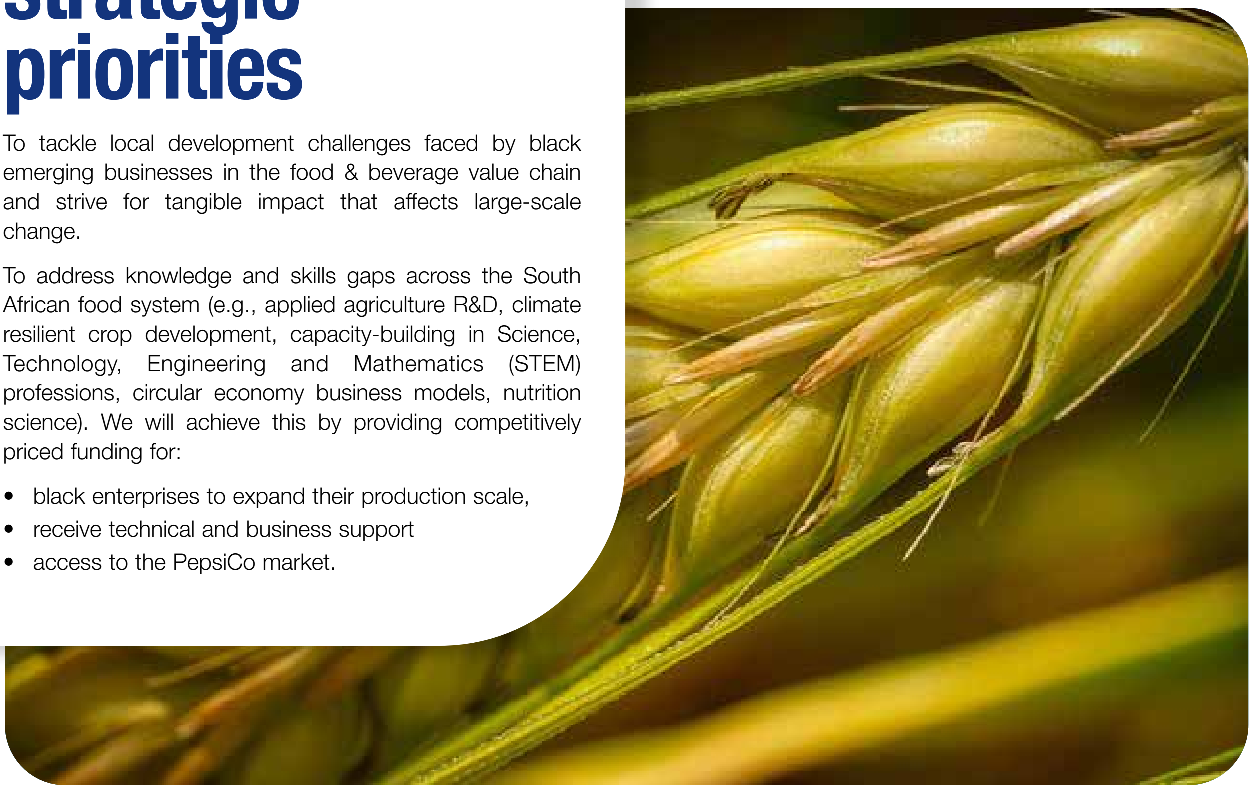
- black enterprises to expand their production scale,
- receive technical and business support
- access to the PepsiCo market.

Our Values: The Compass of Excellence

At the heart of KDF's operational creed lies a commitment to doing more than financing agricultural growth. We are building a culture of excellence, accountability, and service. Our values are the compass that guides every decision, interaction and partnership. They define how we engage with clients, partners and each other, ensuring that our work not only delivers financial returns but also lasting developmental impact.

We put our clients first, uphold respect for all, act with integrity, honour our commitments, and work as a united team that holds itself accountable. These values are:

- Serve our clients (put clients first)
- Respect for all
- Integrity in all dealings
- Deliver to our principals
- Work in teams and hold each other accountable



Our Focus Areas

The Kgodiso Development Fund (KDF) prioritizes impacts across the full value chain through increased access to education, finance and mentorship for women, youth, and black South Africans. The Fund aims to empower black farmers through funding, business development and increased access to market.

Agricultural Development

Black South Africans own only 4% of Agricultural land in South Africa. Under the Agricultural Development pillar, the KDF aims to transform the South African agricultural landscape by developing a new generation of sustainable farming enterprises. The Fund aims to empower black farmers through funding, business development and increased access to market. The fund is committed to building the professional capacity of emerging black farmers while increasing the adoption of regenerative agriculture practices to build farmer resilience. (Land audit report, 2017).

Enterprise Development

The Kgodiso Fund's investments in enterprise development are geared towards (i) the innovative capacity and advancement of the South African food system (ii) strengthening the market-based ecosystem for black-owned and black-women-owned enterprises and suppliers. While black people run 71% of South Africa's SMMEs, the majority of these operate in informal sectors (approximately 89% share) (The Small, Medium and Micro Enterprise Sector of South Africa, 2016). This project exists across the supply-chain and focus on empowering black-owned businesses by increasing business operational efficiency and market access. Enterprise Development aims to support non farming SMMEs that are in the entire agricultural value chain.

Education

The unemployment rate in South Africa for people aged between 15-34 years in the first quarter of 2021 was 45.5% (Stats SA). In order to unlock the immense untapped potential of South Africa's human capital, the KDF's education initiative aims to address key skills and knowledge gaps in the food system. The development of human capital is foundational to the transformation of the entire food system. This is implemented through graduate and Future Leaders programme.

Our Approach

The KDF looks to ensure maximum impact through a sustainable funding model for years to come.

There are considerable constraints for emerging farmers and SMMEs to reach their full potential including barriers to entry, sustainability headwinds and supply chain constrains. The fund has developed a tailored solution to address each challenge.

Approach to Agricultural Development

Africa's productivity is improving overall, but it is still a net importer of food, and this makes agriculture the biggest business opportunity in Africa. However, it faces enormous challenges and hence there's a need to broaden access to expertise, funding, and land for commercial farming and production.

The funding model includes providing access to affordable capital alongside key technical assistance and upskilling, attracting leverage to scale impact and create local ownership, and building the business case for investing in communities. The funding model allows the emerging farmers to graduate to a commercial farmer.

Kgodiso Agricultural Development Funding Model

STEP 1 – **Identify potential black-owned farming enterprise**

Identify promising, high-potential, emerging black farmers with limited access to funding opportunities.

STEP 2 – **Farmer Support** *(provide funding & enable market access)*

Low-cost Capital (production finance) and market access opportunities to catalyze funding from partner funds.

STEP 3 – **Farmer Development** *(Growth & Scaling)*

Provide medium term funding for assets i.e. machinery and equipment.

Approach to Enterprise Development

We will support and fund emerging enterprises along the agricultural value chain

Kgodiso Enterprise Development Funding Model

Identify potential SMMEs

STEP 1

Identify SMMEs along the agricultural value chain

Provide funding & enable market access

STEP 2

Provide funding & co-funding for working capital, machinery and equipment

Support & Risk mitigation

STEP 3

Enterprises are supported by BDSP's appointed by Kgodiso Development Fund to bring pipeline, manage risks and build tangible capacity. Third parties focus on end-to-end business support to ensure commercial viability, growth of enterprises and financial independence.

Leadership

Board of Trustees

SETLAKALANE MOLEPO

Chairman

Setlakalane Molepo was appointed to the Kgodiso Development Fund's Board of Trustees in September 2021.

Setlakalane has more than 20 years of experience within the Development Finance sector and is now the Divisional Executive, Strategy, Planning and Significant Investments at the National Empowerment Fund (NEF). His former roles include a decade of professional experience at the Industrial Development Corporation (IDC), another decade as a Divisional Executive at the SME and Rural Development Division and a secondment to Small Enterprise Finance Agency (SEFA) as the acting CEO. At SEFA Setlakalane was responsible for the implementation of the Covid-19 relief fund which assisted more than 1,500 businesses which were affected by the closure of economic activities due to the Covid -19 pandemic. Under his tenure, SEFA grew its blended funding model from R5million lent per counterparty, to R15million.

In his early career he practiced as a professional engineer in several consulting firms.

He holds a Master's in Business Leadership (MBL) from University of South Africa, BSc Civil Engineering from University of the Witwatersrand (WITS), and a National Diploma in Civil Engineering from Tshwane University of Technology (TUT).

CHRISTO VAN DER RHEEDE

Trustee

Christo van der Rheede joined the Kgodiso Development Fund's Board of Trustees in September 2021.

Christo is the Executive Director of Agri SA where he has been responsible for Agri SA's transformation programme, national drought relief programme, Agri Phakisa programme and Agri-BEE programme among others. Christo has also served as a CEO of various Non-Profit Organisations in South Africa. He has experience in training and policy development within Basic Education, Small Business Development and Agricultural Development.

Christo currently serves on the boards of the AgriSETA and Human Resources Development Council and interacts annually with Parliament, the Presidency, Cabinet Ministers, Government Departments, State-owned Enterprises, Corporate Sector and various agricultural stakeholders on a range of legislative, policy and development matters.

He holds a Higher Diploma in Education, BA degree from University of Western Cape (UWC) and a BA Hons in Public and Development Management and a Master's in Public Administration from University of Stellenbosch (US).

DR NONIE MOKOSE

Trustee

Nonie Mokose joined the Kgodiso Development Fund's Board of Trustees in September 2021.

Nonie Mokose is an independent professional consultant specialising in food systems, rural development and agricultural enterprise empowerment with the ultimate objective of promoting food and nutrition security and economic development. Nonie has over 20 years' experience in agricultural and food value chains ranging across primary agricultural production - crop and livestock production, meat processing, consumer marketing and retailing and nutritional sciences considering food consumption and utilisation in sickness and health throughout the life-cycle.

Nonie's nutritional education leveraged her earlier career through fast moving consumer goods (FMCG) marketing, and retail buying and later into commercial primary agricultural production where she attained commercial excellence and success in potato production recognised through accolades including national and provincial commercial female farmer of the year. This was followed by a focus on sustainable agricultural development with a particular emphasis of commercialising farmers through capacity and capability development addressing all five capitals - natural, human, social, financial and physical capitals to enhance their livelihoods and support economic growth.

In pursuing her passion in contributing towards meaningful & impactful farmer empowerment, Nonie has engaged and applied the USAID/IFPRI/OPHI Women's Empowerment in Agriculture Index (WEIA) focussed on the five domains of empowerment (5DE) to achieve sustainable empowerment outcomes, the subject of her Masters' dissertation (Empowerment of black farmers and effectiveness of empowerment initiatives in the South African potato industry).

Over the years she has served in several governance positions, including representing the Minister of Agriculture as a Trustee on the Potato Industry Development Trust, was previously a board member of Potatoes South Africa, she currently serves on the National Agricultural Marketing Council (NAMC) as a board member also serving on its Audit and Risk Committee, the Council of the Central University of the Free State (CUT) serving as the agriculture specialist to Council, and a member of the Planning and Finance Committee of CUT. Nonie has in the past provided subject matter consulting advice on farmer empowerment and development to institutions including the Competition Commission, John Deere, AB InBev.

Nonie has a PhD in Food and Nutrition Security from the University of the Free State (Clustering of Diet, Physical Activity and Sedentary Behaviour Among Urban Tshwane Adolescents: Cross-Sectional Associations with Adiposity), an MA in Rural Development from the University of Pretoria and a BSc in Nutritional Sciences from Cornell University in Ithaca, New York.

NICO MOLOTO
Trustee

Nico Moloto was appointed to the Kgodiso Development Fund's Board of Trustees in September 2021.

Nico is currently Director of Corporate Affairs at PepsiCo Sub-Saharan Africa. He has a strong financial background with over ten years' experience in the financial services sector, having begun his career at RMB Asset Management. Nico then moved to Standard Bank and during his significant tenure, there he was responsible for financial reporting and BEE Lending as well as for structuring corporate Enterprise Development lending schemes. Upon joining Pioneer Foods in 2015, his portfolio expanded to include CSI, Enterprise and Supplier Development, Sustainability and Stakeholder management. Nico also sits on the board of the Pioneer Foods Education and Community Trust (PFECT).

He holds a BCom in Financial Accounting from the University of the Witwatersrand (Wits), a Post Graduate Diploma in Development Finance and an MPhil in Development Finance from Stellenbosch University (SU).

PATRICK DE WET
Trustee

Patrick De Wet joined the Kgodiso Development Fund's Board of Trustees in December 2024. He currently serves as the Director of Internal Control & Enterprise Risk Management at PepsiCo South Africa, a position he has held since March 2020.

With over two decades of financial experience, primarily gained during his tenure at Pioneer Foods before its merger with PepsiCo, he has held various roles including Group Finance Manager for Projects and Group Finance Manager for Enterprise Risk Management and Projects. Additionally, he has served on multiple boards and was a trustee of the Pioneer Foods Retirement Fund.

As the Financial Executive at Pioneer Foods International, Patrick played a pivotal role in setting the strategic direction for the division and overseeing financial administration. Prior to this, he was the Financial Manager at Bokomo Foods.

In his capacity as Financial Manager at Sasko Milling and Baking, he oversaw the financial management of all bakeries, mills, depots, regional offices, and strategic services.

Patrick began his career as a boilermaker apprentice and later transitioned into accounts roles at Edgars Clothing Namibia and BP Namibia. He subsequently joined Ernst & Young and served as an internal auditor at Woolworths Head Office.

Patrick holds a Bachelor of Commerce degree from the University of the Western Cape, a Bachelor of Computations (Honours) from the University of South Africa (UNISA), and a Postgraduate Diploma in Auditing from UNISA. He is a Chartered Accountant (SA) and has completed an Executive Development Programme at the University of Stellenbosch Business School.

ODETTE HARTSLIEF
Trustee

Odette Hartslief Director Public Policy and Government Affairs PepsiCo South Africa and board member of the Kgodiso Development Fund. She represented PepsiCo SA and participated on the B20 Food Systems and Agriculture Task Force. She serves on the National Business Initiative (NBI) Membership and Fundraising Board Sub-Committee under the leadership of Cas Coovadia, the Chairman. She is active in various policy stakeholder structures relevant to PepsiCo South Africa, advisory councils and international structures like RE100, amongst others.

Prior to joining PepsiCo, she held several senior management positions within the South African Government over a period of 22 years; i.e in the Office of the President, the Cabinet Office of the Republic of South Africa, Chief Director, Director and Deputy Director for the Cabinet Secretariat; the Ministry and Director Generals Office at the Economic Development Department, and the Office of the former Minister for Public Service and Administration. She holds a Master's Degree in Public Management and Government Affairs (Cum Laude) from the University of Johannesburg; an Honours degree in Public Policy from the University of Pretoria; as well as a degree in International Relations, specialising in Politics, Public Administration, Industrial Psychology, and International Relations also from the University of Pretoria. She also studied abroad at the Yonsei University in South Korea (Post Graduate programme in Financial Systems and Banking, Strategic Management Mergers and Acquisitions, Development Economics and Information, Technology, and Intelligence). Various short courses internationally and in South Africa.

Management

DIALE TILO

Executive Director

Diale Tilo joined the Kgodiso Development Fund as Executive Director in January 2022.

Diale has 24 years of professional experience across public and private sectors. His past 10 years has been spent in middle and senior leadership roles within business banking at Standard Bank, focusing on funding and risk management to micro, small and medium sized enterprises.

Prior to Standard Bank, Diale worked for Potatoes South Africa and AgriSETA. The Potatoes South Africa role focused on farmer development - which entrenched crop production knowledge in terms of scientific and economic aspects of potato production. While at AgriSETA he focused on the impact of structured training (learnership, skills programme) as well as mentorship programmes in the agricultural sector.

Diale brings a wealth of experience on farm practical crop production experience, structured training and development, financing of agribusinesses and SMMEs across multiple sectors.

He's an Agriculture graduate of the University of Bophuthatswana.

TSHEGOFATSO SELEPE

Head: Agribusiness

Tshegofatso Selepe joined the Kgodiso Development Fund as Agribusiness Manager in June 2022.

Tshegofatso is a passionate professional in the Agricultural Sector who obtained her BCom Agribusiness Management degree at University of Pretoria in 2011 (majoring in Economics, Agricultural Economics and Financial Management).

Upon completion of her studies Tshegofatso was afforded an opportunity at the Trade & Industrial Policy Strategies (TIPS) as a Research Analyst. She was then afforded an opportunity to work as an Agric Insights Analyst for Standard Bank's Agricultural division. Her deliverables included compiling Agric reports on shifts in the agricultural sector, which steered the bank on appetite for lending opportunities.

Tshegofatso was promoted to an Agribusiness Specialist (Gauteng) role after two (2) years, where her responsibilities included providing professional agricultural advisory services. This entailed conducting viability studies, agricultural property valuations, acquisition of new commercial agricultural business opportunities and advising the region on credit and risk-related matters.

Tshegofatso has over ten years of banking and agribusiness experience, and she brings a wealth of knowledge in Agricultural finance.

MASIBONGE MNTAMBO – CA(SA)

Head of Finance and Risk

Masibonge joined the Kgodiso Development Fund as Finance and Risk Manager in November 2022.

She is a qualified chartered accountant with experience spanning across the FMCG, Manufacturing and Financial Services/ Development Finance sectors. Having competed her articles at Unilever South Africa, she then went on to work as a World Class Manufacturing Finance Specialist (based in Leeds) and, thereafter, at Hulamin as the Performance & Optimisation Controller. These roles encompassed building a cost-conscious culture, analyzing data, presenting and tracking waste reduction opportunities and establishing the related governance and reporting structures and systems.

Masibonge then went on to take on the role of Reporting Manager (and subsequently the Cost Optimisation and Reporting Manager) at SA Taxi Development Finance. Masibonge's most recent role was as Finance Manager for Group Shared Services at Tiger Brands where she managed a cost base of R2.5 billion.

Masibonge prides herself in having both depth and breadth of experience that encompasses both technical and commercial elements. Her strength lies in her commercial background and includes the preparation of forecasts, budgets and variance analyses, implementing process improvements, working collaboratively in cross functional teams to drive business performance and the development of insightful reports for board committees and executives. Although technically competent, her interest is in developmental economics and ensuring the work she performs has a meaningful impact.

SITHANDIWE NGOBESE

Senior Credit Investment Analyst

Sithandiwe assumed the position of Credit Investment Analyst at Kgodiso Development Fund in April 2024. She holds a National Diploma in Taxation and a Bachelor of Technology Degree in Taxation, wherein she majored in Financial Accounting, Auditing, and Management Accounting from the Durban University of Technology. She is pursuing her Chartered Global Management Accountant qualification and is currently undertaking a Post Graduate Diploma in Management Accounting from the Chartered Institute of Management Accountants (CIMA).

Having spent six years working with development finance institutions (DFIs), Sithandiwe is an accomplished investment professional. She has previously held the positions of Financial Analyst, Financial Analytical Officer, and Investment Officer at the Small Enterprise Finance Agency.

Sithandiwe has been involved in transactions ranging from a minimum of R1 million that span multiple industries, such as retail, manufacturing, property, tourism, etc. She has diligently carried out her responsibilities throughout the entire funding process, from primary assessment to due diligence, committee presentations, and disbursement of funds. Her passion lies in deal origination, structuring, and facilitating access to finance for entities. She has experience conducting due diligence, identifying investment opportunities, and building networks.

Sithandiwe is a team player with technical and commercial acumen, and a wide range of skills, including business development, financial modelling, valuations, deal structuring, and marketing.

NKOSINATHI DANGUBE

Head: Business Development

Nkosinathi Dangube joined the Kgodiso Development Fund As Head: Business Development in October 2025.

Nkosinathi started his career as Senior Agricultural Economist in year 2012 at the Northern Cape Department of Agriculture; providing agricultural services to developing farmers such as market access and business plan development. He also participated in land reform initiatives by government to promote and support development of developing farmers.

He then joined Standard Bank as an Agricultural Advisor in 2019. He was responsible for providing professional Agric advisory services and support to the Goldfields region with the objective of growing the region's Agric book profitability within the risk parameters. He was tasked to conduct viability studies and farm valuations for medium to large clients in support of new or increased business.

He holds a BSc Agric (honours) in Agricultural Economics and a Masters in Sustainable Agriculture from University of Free State. He also holds an International Bachelor Degree from Dronten Professional Agricultural University (Netherlands) in Livestock production and Management. He has advanced certificate in municipal governance- University of Johannesburg-2018 and a Certificate of political economy risk analysis- Stellenbosch University -2017.

His passion and experience in the Agric and financial industry sets him for success in taking developing farmers to another level and driving Kgodiso development agenda.

NTSAKO HLUNGWANE

Investment Analyst

Ntsako Hlungwane joined the Kgodiso Development Fund as an Investment Analyst in October 2025. She obtained a Bachelor of Commerce in Accounting (2017), Post Graduate Certificate in Education(2018) at the University of Venda, where her majors were Financial Accounting, Management Accounting, Auditing and Taxation. She is currently doing her CT1 Advanced Diploma in Accounting Science with Unisa in pursuits of becoming a Chartered Accountant.

Ntsako has worked at IDC for 2 years as a business analyst intern, where she was exposed different industries across sectors like manufacturing, Agro- processing, tourism etc. and structured deals for possible funding. She has worked for Sourcefin (Pty) Ltd , a Purchase Order Funding company, where she was a deal maker for 2 years, then moved across departments, became a Sourcing Specialist, then later promoted to a Project Manager.

Ntsako comes with wide of range of skills including Marketing, Technical & Financial Analysis, Financial Modelling and Project Management.

Foreword by the General Manager of PepsiCo SA

Supporting the growth of black emerging farmers for economic development

Mr Gareth Haarhoff

Addressing the challenges of the sector

Speaking in March 2025, President Cyril Ramaphosa re-iterated how important the agriculture sector is to our country. The goods and services produced across the agricultural value chain underpin South Africa's food security and contribute significantly to its exports. It is one of the sectors with the most potential for growth, but it's facing enormous challenges.

There are considerable barriers to entry for emerging farmers, including the inaccessibility of funding, a lack of technical and business support, and perhaps most importantly, a lack of access to markets. Emerging farmers often struggle with inconsistent crop yields – due to changing weather patterns and sub optimal farming processes and systems.

At PepsiCo South Africa, agriculture is central to our business – annually we procure over 1.6 million metric tons of local maize, wheat, raisins, oats, and potatoes, which we then process into our iconic consumer brands such as SASKO bread, White Star maize meal, Safari dried fruit, Simba and Lay's potato chips to name but a few.

An investment in transformation and growth

In 2020 when PepsiCo Inc finalized its acquisition of Pioneer Foods, one of the commitments made at the time was to invest R600 million in a development fund to help transform the South African food system. The aim of the Kgodiso Development Fund (KDF), as it is now known, was to create shared value solutions that would ultimately help build a sustainable food system by creating local employment opportunities and increasing local procurement and supplier diversity.

Aligned to the United Nations Sustainable Development Goals, as well as the governments' 2030 NDP roadmap, it was designed to support the growth and scale of black-owned emerging farming enterprises and SMME businesses, promote regenerative agriculture practices and encourage the adoption of innovation to revitalize local production.

Funding integration into the value chain

Of the total initial investment, R300 million was allocated to emerging farmers to upscale their capabilities and ensure that they are provided with opportunities to integrate into the value chain. R200 million was for support for Education - to enable initiatives that provide appropriate training, and upskilling, thereby enhancing skills pipeline for PepsiCo SA or other corporates. And finally, R100 million was ringfenced for Small and Medium size enterprises (SMME's) - to provide incubation and technological support to those small businesses which can provide their goods or services to PepsiCo or other corporates with whom we partner

Five years of solid progress

Five years into its existence, we are thrilled at the progress KDF has made in its endeavours.

In the Northern Cape, a partnership with Raisins SA has seen the establishment of the Vine Academy and Model Farm in Kakamas – providing classroom-based and practical training for emerging farmers; as well as a centre for research and development in best practice raisin farming and production in South Africa.

While in Mpumalanga, young black farmer, Simphiwe Mabuza is a shining example of how the youth can lead the way in agriculture. With the combined and dynamic support of KDF and Standard Bank, Mabuza has secured R4.4 million in funding to grow his 553-hectar grain operation.

The young farmers that KDF has funded thus far have brought innovation, sustainability and fresh energy with them. Their involvement promises to spark economic development, create jobs and promises to lead to the introduction of modern, climate-smart farming practices.

The work on SMME's is similarly impressive. Through initiatives like the Mzansi Black Business Accelerator (MBBA), KDF, in partnership with the PepsiCo Foundation and FoodBev Manufacturing SETA, is helping young entrepreneurs unlock their full potential and build sustainable businesses.

This tried and tested model where we collaborate with various key players, plays a vital role in the implementation of sustainable programmes to achieve our goals.

Investment in education

The investment in education follows a similar partnership between the KDF, PepsiCo SA and Duke University. These programmes are aimed at creating broad-based development and educational opportunities within South Africa, addressing scarce and critical skills in the FMCG and Agronomy sectors, and boosting employability and thereby contributing to economic transformation.

In August, 2021 the inaugural Graduate Programme and Future leaders programme kicked off with 18 individuals in each group. The graduate programme is an NQF Level 4 programme which focusses on building functional capability, while the Future Leader's Programme is an NQF Level 6 programme which focusses on developing Leadership capability. The programmes have already seen successful cohorts completing the courses, and for the most part gaining permanent employment within PepsiCo SA.

The need for a long-term view

Patience is required when making any investment, but especially with emerging farmers, businesses and people. It is not uncommon to wait 7 to 8 years before seeing the full benefits. Therefore, government and stakeholder support need to be certain and for the long haul if these farmers, entrepreneurs will grow, create more cost-efficient crops, have access to markets and then create other jobs in the areas of operations, software solutions, inventory management and others.

We believe that there is an opportunity to change how the world produces, distributes, consumes and disposes of foods and beverages in order to tackle the shared challenges we face – and we are confident that the Kgodiso Development Fund is an active part of the solution

Mr Gareth Haarhof
General Manager
PepsiCo SA

Highlights

2020 – PepsiCo Inc acquires Pioneer Foods

R600 million – development fund to help transform the South African food system.

R300 million – upscale capabilities to integrate into the value chain

R200 million – support for education and training

R100 million – SMME incubation and technological support

Report of the Chairman of the Board of Trustees

From Soil to Success: Empowering the Next Generation of Entrepreneurs

Mr Setlakalane Molepo

Kgodiso – in the beginning was a promise

When PepsiCo South Africa's acquisition of Pioneer Foods in March 2020 was finalized, PepsiCo South Africa agreed to a number of Public Interest Commitments, with the overarching goal of driving economic growth. One such commitment was the launch of a Development Fund, with an initial investment of R600 million in order to enhance effective, market-driven programmes, co-create innovative solutions alongside key partners and scale the impact through catalytic investments.

Thus was born the Kgodiso Development Fund, its prophetic name derived from three of South Africa's official languages — Setswana, Sepedi and Sesotho — signifying growth, the process of expansion in size, volume and stature.

Governance and Fiduciary Oversight

This Integrated Report is the first since KDF was established three years ago. The Board was appointed in November 2021 and management commenced with operations in January 2022 and as a result, the financials cover a 3-year period. After having surpassed its embryonic stages, the Board is unanimous in its assertion that KDF has reached meaningful institutional maturity, and this inaugural Integrated Report is a seminal stepping stone among the various milestones that are the subject of this chronicle. Management, and indeed the staff of the Fund, are a shining example of the excellence that can be achieved when professional merit aligns with purpose, passion and a collective will to serve. Their dedication has transformed aspiration into tangible impact, ensuring that the Fund's mandate is not only fulfilled, but exceeded in ways that speak to the resilience of our people and the promise of our agricultural economy.

This Report is therefore more than an account of numbers and activities, it is a testimony to a vision taking root, to partnerships blossoming and to futures being cultivated. It reflects not only where we have come from, but where we are determined to go, towards a more inclusive, sustainable and prosperous agricultural sector that empowers farmers, strengthens communities, and contributes meaningfully to South Africa's broader development agenda.

The Board has been integral in guiding management to arrive at this plateau, ensuring accountability, transparency and ethical leadership. Given South Africa's developmental needs, integrity is not an option but an evangelical obligation. It has been the single-minded priority of the Board to keep KDF trained on national imperatives such inclusive growth, transformation, job creation, localisation, gender parity, SMME development and export revenue.

> "The work on SMME's is similarly impressive. Through initiatives like the Mzansi Black Business Accelerator (MBBA), KDF, **in partnership with the PepsiCo Foundation** and **FoodBev Manufacturing SETA, is helping young entrepreneurs unlock their full potential and build sustainable businesses".**

Why KDF Exists

KDF was established as a catalyst for inclusive agricultural transformation, addressing systemic barriers that prevent Small Micro and Medium-sized Enterprises (SMMEs) from reaching their full potential.

KDF exists because:

- **Access to finance is limited:** Traditional credit markets often exclude emerging farmers due to perceived risk and lack of collateral. KDF bridges this gap by providing tailored and patient capital.
- **Sustainable entrepreneurship needs support:** Beyond finance, SMMEs require post-investment management, skills and mentoring to grow enterprises that endure across seasons and generations.
- **Job creation is urgent:** Agriculture has one of the highest labour absorption capacities. By supporting viable SMMEs, KDF stimulates rural employment, empowering communities and reducing poverty.
- **Inclusive growth is essential:** Transformation in agriculture is central to South Africa's socio-economic justice. KDF advances equity by empowering historically disadvantaged farmers to participate meaningfully in mainstream value chains.
- **Resilience must be built:** Climate shocks and market volatility demand innovative funding, risk management and resilience strategies that safeguard farmers' livelihoods while ensuring sustainability.

In this role, KDF is not merely a financier, it is a development partner, enabler and catalyst, ensuring that agriculture contributes to a just, inclusive and sustainable economy.

A global spirit of collective growth

PepsiCo South Africa's investment of R600 million towards this historic resolve is a highly commendable expression of the power and efficacy of foreign direct investment. It reflects an intrepid commercial vision aligned with South Africa's developmental priorities, as well as a profound commitment to advancing inclusive growth. This bold step illustrates how global corporations can act as genuine partners in transformation, catalysing sustainable entrepreneurship, creating jobs and building resilience in agricultural value chains.

By choosing to invest in our people, our land and our future, PepsiCo South Africa demonstrates that profitability and purpose can co-exist, and that meaningful economic participation is both commercially viable and socially indispensable. In this quest, PepsiCo South Africa shares esteemed rank with visionaries such as Standard Bank, the Department of Trade, Industry and Competition (**the dtic**), the Gauteng Enterprise Propeller, and the broader sectoral fraternity, organised business and the Black farmers who are the organisation's Alpha and Omega.

A commitment to integrity

For three years, the Board of Trustees has borne witness to a purpose driven by patriotism, the pursuit to make a lasting and meaningful impact towards entrepreneurial development, skills acquisition, rural development, innovative funding, mentorship, smart partnerships and economic advancement.

As indicated in the subsequent sections of this Integrated Report, the Trustees "are required to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report".

In this regard, the Board is exceedingly pleased that "the annual financial statements have been prepared on a going concern basis in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and in compliance with the Trust property control Act 57 of 1988, and the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council".

We salute management for its strategic foresight, operational leadership, and the enduring commitment of members of staff to contributing towards a more sustainable and inclusive future for South Africa. We commend farmers, their employees and suppliers for this historic partnership in advancing the growth of agriculture and the promise of food security, dignity and prosperity.

Mr Setlakalane Molepo
Chairman of the Board of Trustees
Kgodiso Development Fund

Report of the Executive Director

Funding Innovation, Feeding the Nation

Mr Diale Tilo

Introduction

KDF represents a bold and innovative step in our country's historic mission to drive inclusive economic growth, foster meaningful transformation and build a globally competitive South African economy. As a strategic initiative, KDF channels catalytic capital and technical support into the agricultural and agro-processing sectors, two of our highest-impact industries in terms of job creation, rural development and export potential.

It is with great pride and a deep sense of accountability that I present the Executive Director's Report for the 2024/25 financial year. The year under review reflects both the resilience of our clients and the determination of the Kgodiso Development Fund (KDF) team to advance inclusive growth, transformation and sustainability in South Africa's agricultural sector.

Despite challenging macroeconomic conditions, climate-related shocks, and tightening credit environments, KDF has continued to deliver meaningfully on its mandate of supporting small and medium farmers and SMMEs. Our focus remained on extending financial access, strengthening post-investment management, and building co-funding relationships that expand opportunities for our partners.

We believe this Report outlines how KDF continues to balance financial sustainability with developmental impact. The 2024/25 results reflect fortitude, strong governance, and an unwavering commitment to inclusive growth in South Africa's agricultural economy.

Economic Overview: South Africa's Agricultural Sector

Agriculture remains a vital contributor to South Africa's economy, accounting for approximately 2.3% of GDP but providing critical linkages to agro-processing, trade and rural livelihoods. The sector is a cornerstone of food security, rural development and export earnings, with strong comparative advantages in products such as citrus, maize, grapes, potatoes, and livestock.

However, the sector operates within a highly complex environment:

- **Structural Inequalities:** Historically skewed land ownership and access to capital continue to limit the participation of black farmers and emerging entrepreneurs.
- **Climate Vulnerability:** Increasing frequency of droughts, floods, and other extreme weather events heightens production risks and undermines resilience.

> "Agriculture remains a **vital contributor to South Africa's economy**, **accounting for approximately 2.3% of GDP** but providing critical linkages to agro-processing, trade, and rural livelihoods. **The sector is a cornerstone of food security**, **rural development**, and **export earnings**, with strong comparative advantages in products such as citrus, maize, grapes, potatoes, and livestock".

- **Rising Input Costs:** Volatile energy, fuel, fertiliser, and logistics costs compress margins for small and medium-scale farmers.
- **Market Access Constraints:** Limited infrastructure, high transaction costs, and concentration of value chains often exclude emerging farmers from lucrative domestic and export markets.
- **Employment Dependence:** The sector sustains over 800,000 direct jobs, predominantly in rural areas, where alternative employment opportunities remain limited.

Highlights

96 – farmers approved in the period under review

R92 million – approved loans

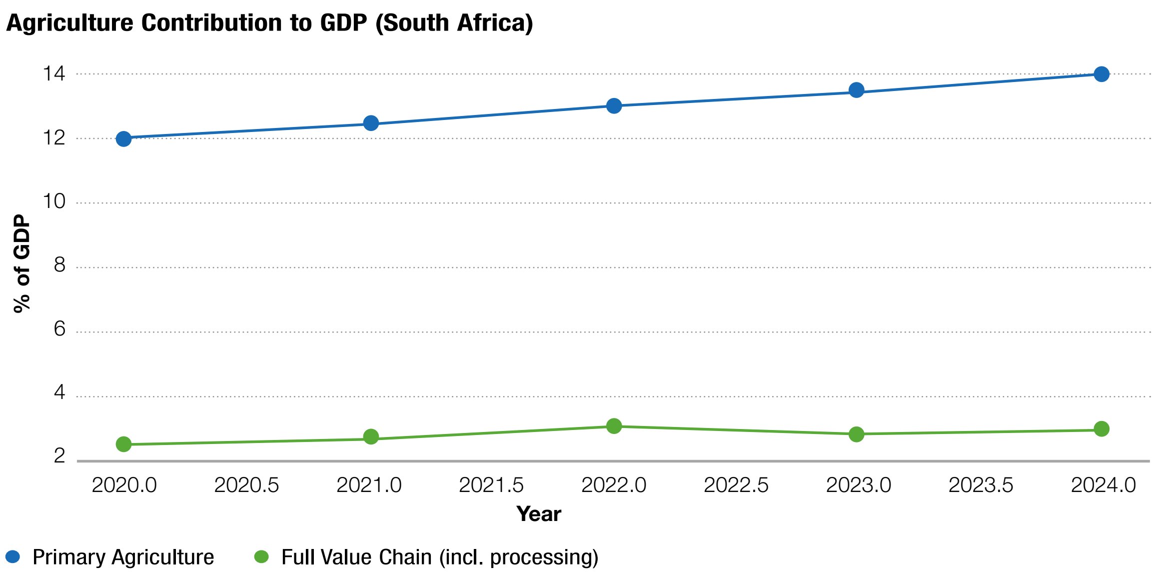
R144 million – pipeline assessed

73% – loans collected

101% – achieved ROI of 6.99% for the 2023/24 production season, equivalent to 101% of target

17.22% – impaiment loss

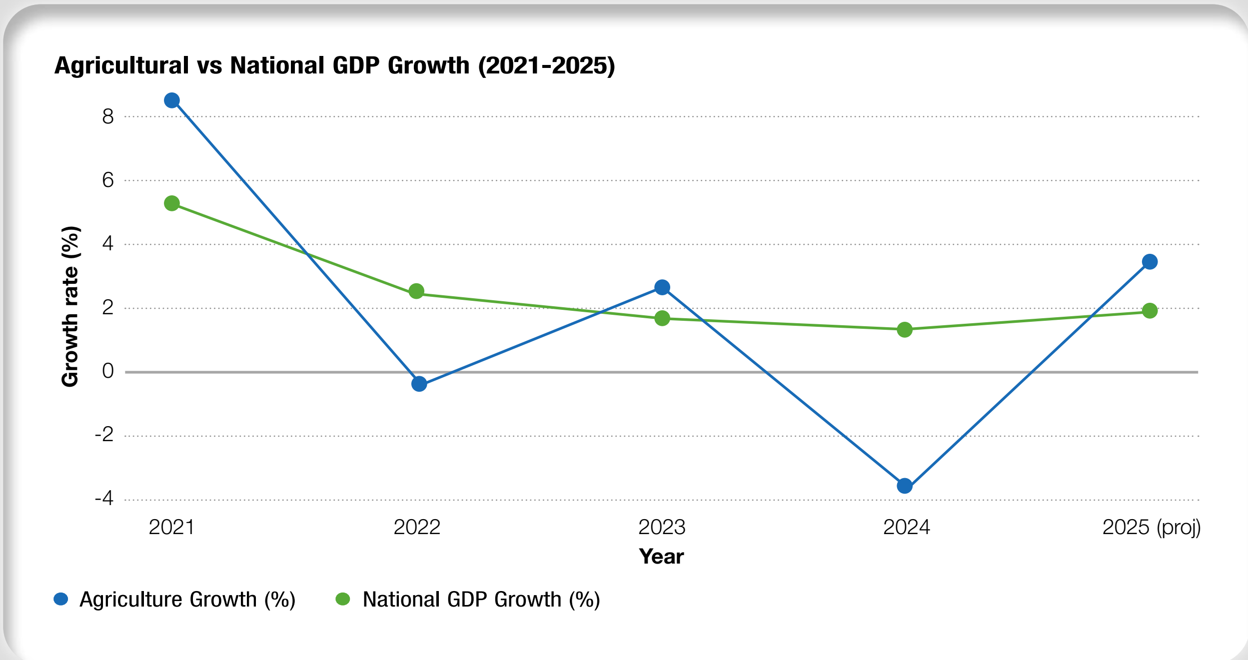
R26.6 million – leveraged funding mobilised



How agriculture can impact economic growth

Despite these challenges, agriculture continues to show resilience and growth potential. Demand for sustainably produced food is rising locally and globally. Advances in technology, mechanisation and climate-smart practices present opportunities for productivity improvements and competitiveness. With strategic investment and inclusive financing, agriculture can unlock broader socio-economic transformation. It is our understanding that agriculture has greater potential to contribute to human and economic growth, as discussed below:

- Though agriculture is a small % of GDP in its primary form (~3%), when value chains are included, its role is much larger (≈14%). This underscores opportunity in respect of improving value chain access for small farmers to multiply impact.
- Employment is significant but often precarious. Many jobs are in labour-intensive, lower margin sectors. Thus, supporting SMMEs can help spread income more evenly, providing better quality work and absorbing more labour.
- High export values and a trade surplus show there is international demand. KDF can help more producers meet export quality standards and volumes for economies of scale.
- The contraction and vulnerabilities (droughts, input cost, etc.) reveal that without resilient financing, many farmers are exposed to shocks. KDF's role in risk management, loan restructuring and prudent investment is apparent and critical.
- Disparities between provinces and inequality between large commercial and smaller enterprises suggest that public and development financiers such as KDF, plug a critical gap in the financial services sector by funding those excluded by traditional financiers, thus enabling transformation and growth.



Reflections and Outlook

The year under review underscores that KDF is not only a funder but a trusted development partner, walking alongside our clients through both growth opportunities and hardship. While climate variability and market uncertainty continue to test resilience, our approach of combining rigorous credit assessment with empathetic restructuring has allowed us to balance sustainability with developmental impact.

Looking forward, KDF will strengthen partnerships with financial institutions, expand its pipeline of transformational farmers and SMMEs, and deepen our impact through catalytic funding. Our priorities for the coming year include:

- Expanding leveraged co-funding relationships to unlock larger pools of capital.
- Driving stronger collection ratios through proactive risk management.
- Continuing to ensure that every investment advances inclusive growth, transformation, and long-term sustainability in South Africa's agricultural economy.

KDF conveys its sincerest appreciation to the provincial governments for their unwavering support to emerging farmers through the provision of land, grant funding for insfrastructure, mechanisation and production inputs, interventions that have been critical for stability and growth. Their commitment to nurturing sustainable agricultural growth continues to open doors for new entrants, uplift rural communities and strengthen food security across our provinces. On behalf of Kgodiso we extend our profound gratitude for their partnership, dedication, and belief in the potential of our emerging farmers.

Conclusion

I wish to express my sincere gratitude to our staff, clients , partners, trustees and stakeholders who journey with us in building a more inclusive and sustainable agricultural sector. The achievements of 2024/25 reflect the resilience of the farmers we serve, the commitment of our Board and Committees, and the dedication of the KDF team.

Our country's economic recovery requires bold interventions that do more than stimulate growth. They must also reshape the structure of our economy to be more inclusive, more robust and more sustainable. KDF is an example of this forward-looking intervention: it enables productive investment, strengthens food security, enhances export readiness and empowers the next generation of producers and processors, in partnership with our valued stakeholders.

Together, we are not only financing agriculture, we are cultivating transformation, empowering communities and investing in a future where small and medium farmers thrive as anchors of food security and inclusive growth.

Mr Diale Tilo
Executive Director
Kgodiso Development Fund

"We believe this Report outlines how KDF **continues to balance financial sustainability with developmental impact**. The 2024/25 results **reflect fortitude**, **strong governance**, and an **unwavering commitment to inclusive growth in South Africa's agricultural economy**".

KDF's Financial Objectives and Performance

1 ACCESS TO FUNDING

Our target for the year was to provide access to funding for 50 farming and other SMMEs, through loan approvals totalling R100 million.

- **Result:** KDF exceeded its beneficiary target, funding 96 small and medium farmers. Loan approvals amounted to R92 million, with a total pipeline of R144 million assessed. Of this, R52 million in transactions were declined primarily at screening stage, reflecting rigorous governance and due diligence.

2 RETURN OF CAPITAL

We committed to achieving a prudent collection ratio of 75%. Climate-related force majeure events (drought, fire, and flooding) were factored into our risk models.

- **Result:** For the 2023/24 production season, total collections reached 73%, excluding mechanisation and raisins production loans not yet due. Impairment loss as a percentage of Gross Loans and Advances was 17.22%. Non-Performing Loans (NPL) stood at 23.3%, with Adjusted NPL/Net Loans & Advances at 5.5%, evidencing the effectiveness of loan restructuring and recovery management strategies.
- Credit risk reporting was conducted monthly through the Credit Risk and Defaults Reports, enabling proactive monitoring of payments, covenant adherence, and borrower performance.

3 RETURN ON INVESTMENT (ROI)

Our target was an ROI of 6.8% through interest revenue collected from loans.

- **Result:** We achieved an ROI of 6.99% for the 2023/24 production season — 101% of target — demonstrating both portfolio resilience and the disciplined efforts of our Post Investment Management team.

4 LEVERAGED FUNDING

We set a target of securing R40 million in leveraged funding through co-funding relationships.

- **Result:** KDF mobilised R26.6 million in leveraged funding, representing 67% of target. The primary co-funding partnership was with Standard Bank's Agribusiness Unit, which remains an important collaborator in extending our reach and deepening our impact.

Pre & Post Investment Report

Laying the Groundwork for Sustainable Investment

Pre-Investment offering

The Pre-Investment offering is central to Kgodiso Development Fund's (KDF) mandate of enabling sustainable entrepreneurial development in the agricultural sector. This function ensures that small and medium-scale farmers are adequately prepared before loan disbursements, thereby safeguarding both the Fund's resources and the long-term success of clients.

The Role of Business Development Service Providers (BDSPs)

At the heart of the pre-investment process are Business Development Service Providers (BDSPs) who serve as KDF's technical and operational partners on the ground. BDSPs mitigate risk by guiding farmers through critical preparatory stages, ensuring that each supported entity is equipped with the technical, business and compliance capabilities required to succeed.

The BDSP value proposition lies in delivering holistic support across three primary areas:

1. **Application Pack Preparation –** Origination and compilation of business plans, loan applications and supporting documentation in line with KDF's criteria. BDSPs also assist in fulfilling conditions of approval and ensuring readiness for drawdowns.

2. **Farmer Support (Agronomy) –** Providing hands-on guidance on procurement of inputs, soil management, crop production and yield optimisation, insurance, harvesting, post-harvest handling and marketing of crops (including structured off-take with PepsiCo). This also extends to administration through Third Party Fund Administration (TPFA) accounts and submission of regular progress reports.

3. **Business Support –** Enabling farmer entities to formalise and sustain their businesses by facilitating company registration, succession planning, compliance with regulatory frameworks (SARS, CIPC, etc.), document management and reporting.

Pre-Investment Team Function

Once the BDSPs prepare and submit application packs, the Pre-Investment Team at KDF undertakes rigorous assessment of the pipeline. This involves evaluating:

- Viability and repayment ability,
- Financial capacity for debt,
- Production track record, and
- Compliance with sector regulations.

Loan funding is then considered for production inputs, machinery and equipment. Credit reports are prepared and presented to the Management Committee and Board for approval. Upon approval, fulfilment of conditions precedent is managed jointly with the appointed loan administrator.

Qualifying criteria and requirements

- The business must be **black owned**.
- The business must be conducted with a **profit motive** and the cash flow must show the **ability to repay the loan facility**.
- The business owners must show a **clear commitment** to the business, which may include financial and/or non-financial contributions.
- The business needs to have:
- **2-3 years trading history.**
- **2 year financial statements.**
- **Lease agreement** / **Copy of title deed** / copy of **permission** to **occupy**.

Credit Funding

Each funding application is assessed on a case-by case basis to determine if the business qualifies for funding.

Agricultural Production Loan up to:

12 months

Working Capital up to:

24 months

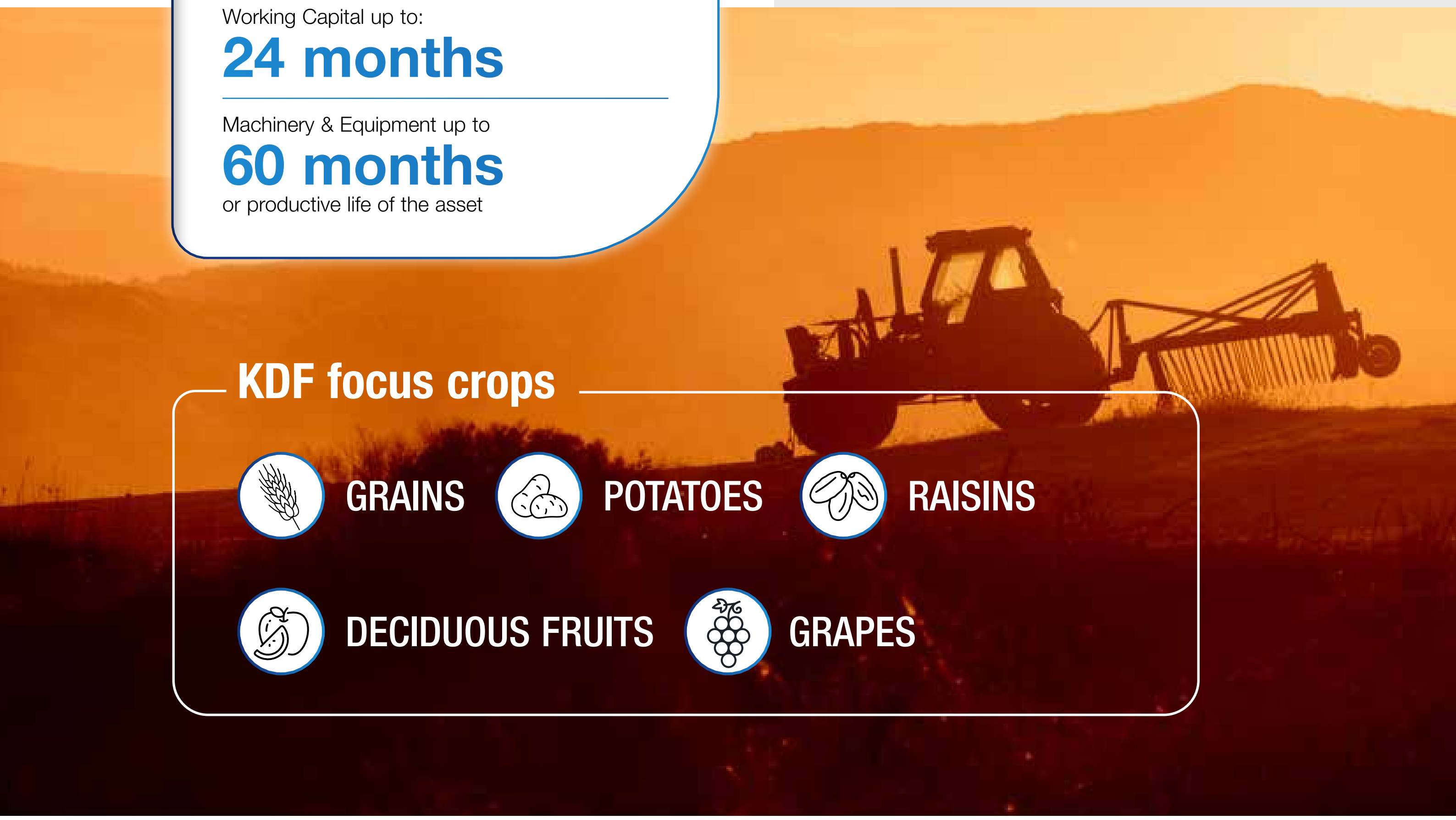
Machinery & Equipment up to

60 months

or productive life of the asset

Third Party Fund Administration Account (TPFA)

- Account ensures that the BDSP and / or loan administrator are able to open and manage third-party (farmers' and other SMME') accounts.
- This account ensures proper governance of third-party funds, where there are user, operator and beneficiary limits and controls.
- There is proper segregation of duties for specific roles in the BDSP and loan administrator. The BDSP focuses on Pre and Post Investment support which includes:
  - Technical support,
  - Enterprise budget tracking
  - Funds Managment
  - Access to market
  - Loan Repayment
- There is full audit trail for monitoring of all activities in the farmers TPFA account
- The account is used to manage and control the flow of funds for loan draw downs and repayments.
  - The funds are paid into the client's TPFA account from the loan account. The BDSP then pays the client's nominated input suppliers from that account.
  - KDF takes cession of crop income as part of its security requirements. The off-taker pays crop income into the client's TPFA account



KDF focus crops

GRAINS

POTATOES

RAISINS

DECIDUOUS FRUITS

GRAPES

Post Investment Support

Post-investment management is the critical, ongoing process of monitoring, evaluating, and managing credit exposures after a loan or investment has been made. Its primary role is to mitigate credit risk, maximize returns, ensure compliance with loan covenants, and manage problem loans before they result in significant financial losses.

Highlights

Business Development Service Providers (BDSPs) – KDF's technical and operational partners on the ground

Third Party Fund Administration Account (TPFA) – ensures proper governance of third-party funds

Enterprise Room – licensed National Credit Regulator (NCR)-compliant administrator

Prime less 2% – KDF's preferential loan pricing in line with its developmental mandate

"Loans are priced at **Prime less 2%, reflecting KDF's developmental mandate** to offer preferential, accessible funding while advancing financial sustainability."

Loan Administration and Pricing

Loan administration has been strategically outsourced to Enterprise Room, a licensed National Credit Regulator (NCR)-compliant administrator. This ensures independence, regulatory adherence and robust loan management. All client loan agreements are therefore managed externally.

Loans are priced at Prime less 2%, reflecting KDF's developmental mandate to offer preferential, accessible funding while advancing financial sustainability.

Disbursements

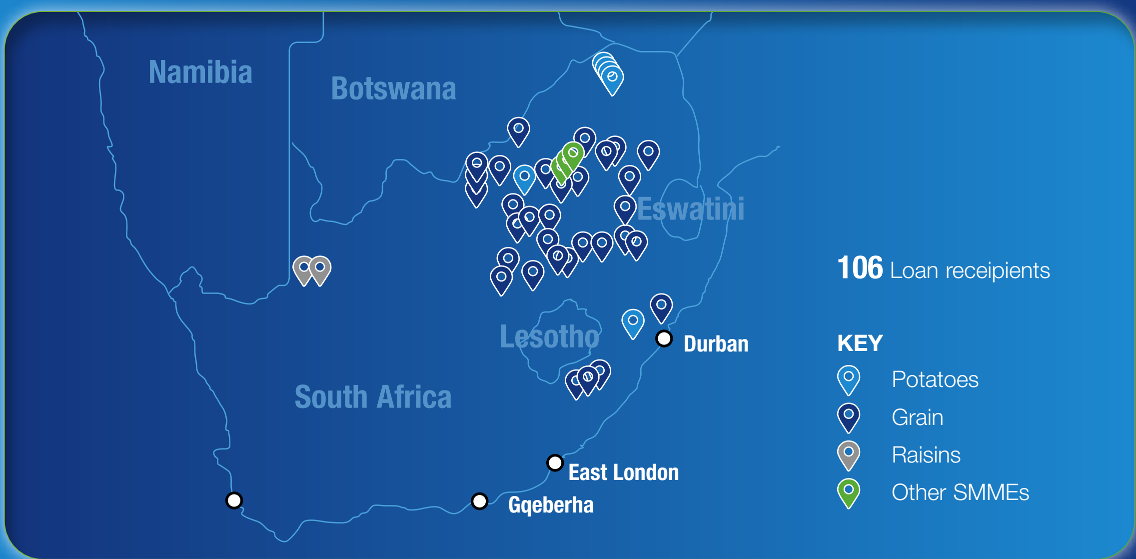
Loan disbursements are structured to promote transparency and accountability. Funds are deposited into TPFA accounts opened in the name of each client. Input suppliers are then paid directly based on farmer nominations, ensuring that inputs are secured upfront for production. This model balances financial discipline with farmer autonomy and BDSP oversight.

Year Under Review

During the reporting period, BDSPs facilitated the origination and approval of transactions across diverse commodities and geographies, thereby expanding the reach and inclusivity of KDF's portfolio.

The geographic spread and crop split illustrate the Fund's responsiveness to regional dynamics and market demand, while the scale of BDSP-facilitated transactions reflects growing institutional maturity in managing agricultural pipelines.

Kgodiso Development Fund: Investments Pins



Educating Youth for Growth

The Kgodiso Development Fund (KDF) aspires to build an inclusive and resilient South African food system. The Fund also extends its impact beyond agricultural and enterprise development to include a dedicated R200 million Education Fund designed to help address South Africa's youth unemployment crisis, and research and development through partnerships with Universities and other educational institutions.

Education and skills development

Through this investment, the Fund creates access to education, skills development and employment pathways for South African youth aged 18 to 34. Since inception, the initiative has empowered young people through 87 fully funded university bursaries, 47 paid unemployed apprenticeships, over 200 unemployed learnerships and 99 graduate programme opportunities.

Together, these programmes are building a pipeline of future leaders, critical talent and qualified youth equipped with relevant skills, industry exposure and career-shaping experiences. The graduates and future leaders programme has seen an overall retention rate of 91%, realising careers such as Senior Agronomists, Brand Managers, Regional Account Managers and Senior Operations Supervisors. The apprenticeship development programme has delivered qualified fitters and turners, millwrights and electricians, building a pipeline of artisans, a scarce and critical skillset in Southern Africa.

The stories below illustrate the human impact of KDF's education and employability initiatives, demonstrating how structured learning, practical application and intentional support can transform individual trajectories and strengthen South Africa's Food and Beverage talent ecosystem.

Finding Voice, Shaping Purpose: How a Growth Environment Turns Potential into Momentum

Archie's journey shows how a supportive, psychologically safe learning environment can turn potential into progress. With a background in Finance and Economics, complemented by applied finance studies and personal investing experience, he entered the 2025/26 graduate programme seeking practical exposure and clarity on his long-term career direction.

Through his rotations, including a meaningful period in co-manufacturing, Archie gained a blend of office-based analysis and on-site operational learning. This broadened his understanding of the value chain, strengthened his confidence and deepened his self-awareness, helping him identify the kind of professional environment in which he thrives. As he nears the end of the graduate programme, Archie stands equipped with a well-rounded commercial and operational foundation, positioning him to excel in any future role he steps into.

From Heavy Industry to High Velocity FMCG: Engineering Versatility Powering Performance

Divashen's story highlights how rotational exposure can accelerate growth by broadening skills, perspective and impact. After starting his career in the mining and smelting sector, working with heavy machinery and bulk material processing, he joined PepsiCo through the Future Leaders Programme in 2021, seeking exposure to advanced technologies and a broader systems view.

Transitioning Into the fast-paced FMCG environment, Divashen rotated across Supply Chain functions building a clearer view of PepisCo's interconnected systems and sharpening his ability to integrate engineering knowledge into real-time operational decision making.

The programme also strengthened cross-functional collaboration through a strong peer network, enabling faster problem-solving and more efficient execution. This foundation equipped him with greater analytical capability and confidence in integrating technical, operational and strategic thinking. Today he holds the Performance Lead role for the Grains and Bakeries categories. Reflecting on his development, Divashen noted that the journey has expanded his impact within the organisation and in shaping his future career path.

From Pause to Permanent: A Graduate's Turnaround Through Learning, Coaching and Real Work

Mohau's experience demonstrates how structured learning, coaching and real work exposure can translate directly into employability. Joining PepsiCo as a graduate, she sought a renewed career path and the opportunity to enter the FMCG marketing space.

The programme provided combined formal development through Henley Business School's Advanced Certificate in Management Practice, covering self-mastery, accounting and change management with immersive rotations that placed her at the heart of key activations such as World's Biggest Braai, Lay's internal activation across PepsiCo's Potato Chip category.

Mohau credits the programme's mentorship and coaching for guiding her through early career uncertainty and enabling her to contribute meaningfully from day one. Beyond technical skills, the experience strengthened her confidence, professional identity and a sense of direction, positioning her for long-term success in the FMCG sector. Mohau has secured a permanent Assistance Brand Manager role, where she will be well-equipped to make an impact supported by the breadth and depth of her practical marketing experience.

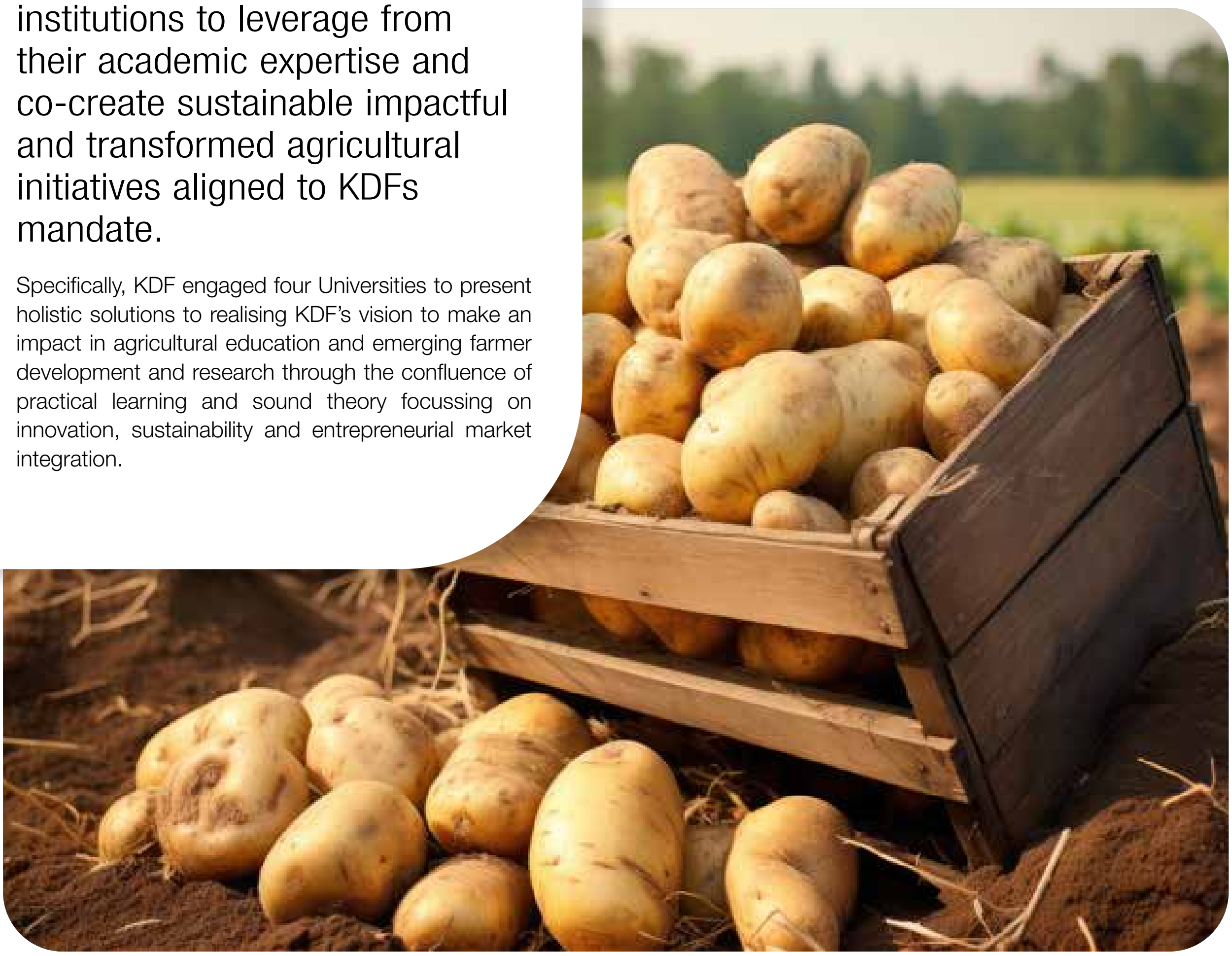
Forging Knowledge Partnerships for Agricultural Transformation

Partnering with Universities and other educational institutions

On the R200 million Education Fund budget, an amount of R46 million was targeted to forge strategic partnership with several Higher Education institutions to leverage from their academic expertise and co-create sustainable impactful and transformed agricultural initiatives aligned to KDFs mandate.

Specifically, KDF engaged four Universities to present holistic solutions to realising KDF's vision to make an impact in agricultural education and emerging farmer development and research through the confluence of practical learning and sound theory focussing on innovation, sustainability and entrepreneurial market integration.

"As part of the Pioneer Foods and PepsiCo merger conditions, PepsiCo has seeded an amount of **R200 million towards the establishment of an Education Fund**."



University of the Free State (UFS) Model Farm and Training Centre

Following on the success of the initial Vine Academy and Model Farm (VAMF) in Kakamas, Northern Cape, KDF sought to establish a further model Farm focussing on PepsiCo relevant crops. A budget has been allocated for the establishment of this model farm and agro-learning centre. The focus of this model farm being on the primary crops which have market access into the PepsiCo value chain which includes white maize, wheat, red speckled beans, groundnuts and potatoes through the implementation of climate-smart and regenerative agricultural practices.

The vision of this model farm is to create a long-term centre of agricultural educational excellence through the development of a sustainable and economically viable farm that both teaches and practically demonstrates best agricultural practices including climate smart agriculture, and facilitates the transfer of technology to farmers, students and surrounding agricultural communities. Commercial farming, practical teaching and learning, applied and industry-led research and innovation integrate in this model for the benefit of emerging farmers who are either currently supply into or aim to supply into the PepsiCo value chain potentially facilitated through KDF funding and development initiatives.

The model farm concept leverages collaborations with several partners in the agricultural universe including the private sector, provincial government and leveraged finance players, input suppliers, financial institutions and academic partners to realise KDF's agricultural development vision.

To ensure this vision is realised, a clear monitoring and evaluation process will be applied with comprehensive performance metrics implemented. These will integrate production, financial, social impact and education metrics managed through a reporting framework.

In a world facing increasing food security challenges, climate change impacts, and the need for agricultural transformation, innovative approaches to farmer development and sustainable agriculture are more critical than ever. UFS in partnership with the KDF and PepsiCo will establish a Model Farm and Training Centre that addresses these pressing challenges while creating lasting impact for South Africa's agricultural sector.

This initiative represents a bold vision: to revolutionize agricultural education and emerging farmer development by creating a living laboratory where theory meets practice, innovation drives sustainability, and capacity building leads to market integration. Drawing on UFS's rich agricultural heritage and world-class expertise, a holistic approach that combines commercial production, hands-on training and applied research to develop the next generation of successful agricultural entrepreneurs and professionals, will be implemented.

By focusing on key crops vital to PepsiCo's supply chain while implementing climate-smart and regenerative practices, this Model Farm will not only demonstrate agricultural best practices but will evolve into a self-sustaining enterprise that continues to create value long after the initial investment period. The vision extends beyond conventional training to create transformative pathways for historically disadvantaged individuals to become successful commercial farmers and agricultural professionals, ultimately strengthening South Africa's food systems and rural economies.

This unique partnership will establish a sustainable Model Farm and Training Centre that will serve as a hub for agricultural innovation, farmer development and research. UFS will leverage its existing infrastructure, academic expertise and industry connections to create a self-sustaining enterprise that addresses KDF's sustainability objectives while developing emerging farmers and agricultural talent.

The model will focus on key crops including white maize, wheat, red speckled beans, groundnuts, and potatoes, implementing climate-smart and regenerative agricultural practices to ensure sustainable production while building soil health. The initiative aims to create lasting impact by developing human capital, improving agricultural practices and creating sustainable market access for emerging farmers.

An integrated research-driven partnership for agricultural transformation in the North-West Province

Commensurate with Kgodiso's developmental focus to increase emerging farmer efficiency, productivity and resilience, North West University (NWU), the provincial government in the North West and KDF have come together to create solutions towards enhancing sustainable development through technical efficiency, knowledge development and impact creation.

A grant specifically focussed on region-specific crops - legumes, groundnuts and speckled beans, and maize has been awarded to North West University (NWU) based in Potchefstroom and Mahikeng. The three partners will strive to increase the productive capacity of land through enhanced crop production for emerging farmers. Kgodiso's engagement in the Agri Hub with NWU will be limited to crop production.

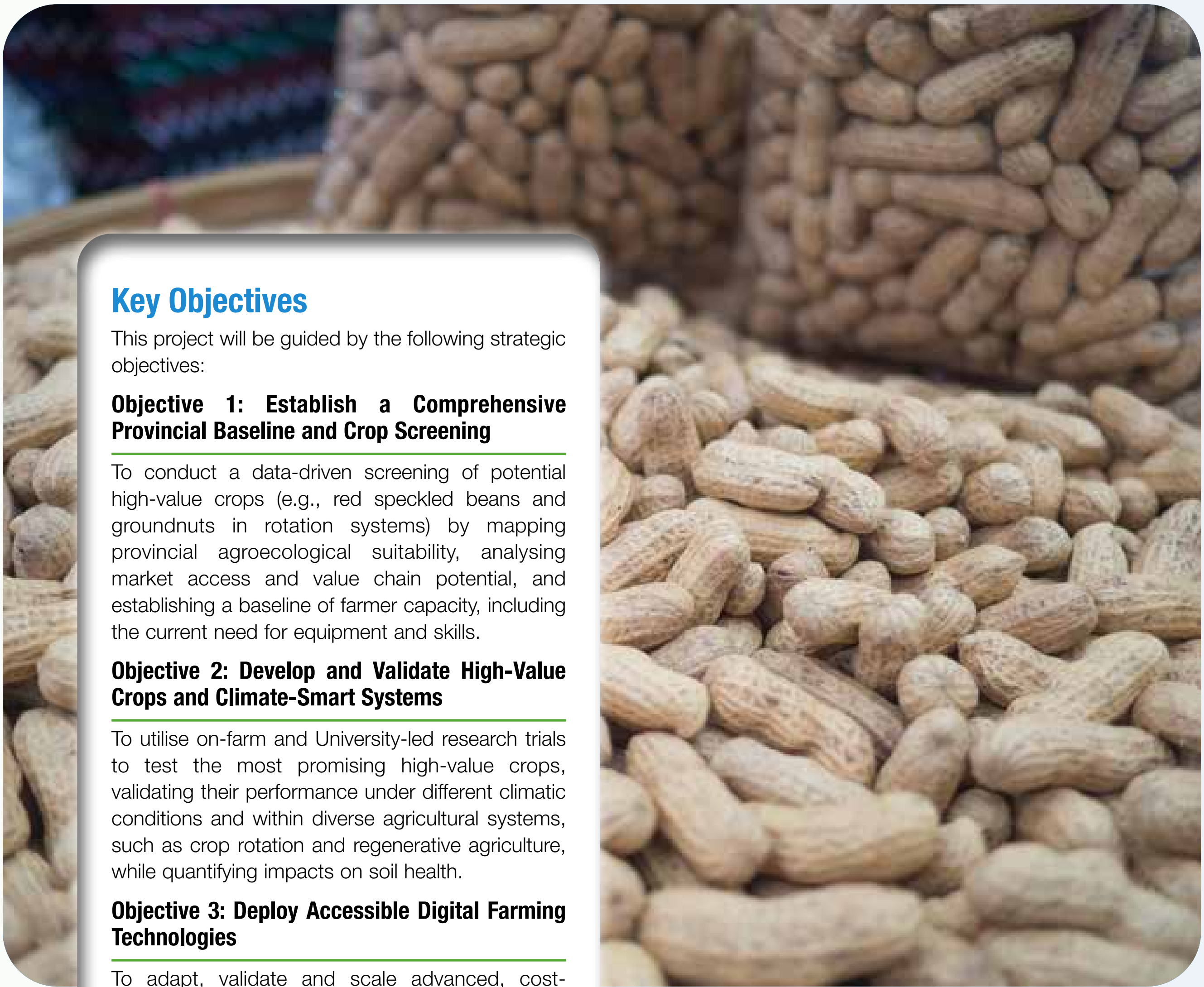
Translating academic research to practical knowledge for the direct benefit of farmer development has been identified as central to the NWU developmental agenda. To this end, studies aimed at agricultural production practices on the identified regional crops are proposed to be undertaken with a focus on optimising emerging farming systems.

Student development shall form an integral part of the process. Further research will be undertaken addressing topics of relevance including climate change and how best to enhance farmer resilience to shocks and stresses, optimising agricultural processes, quality enhancement, commercialisation, entrepreneurship and market access strategies.

Food production is constrained by land availability, input costs, climate variability, and soil degradation. To address these challenges, farmers must build profitable and resilient systems capable of withstanding external stresses. The partnership between NWU and KDF is designed to catalyse agricultural transformation in selected regions of the North-West Province.

The project's core vision is to establish a co-created, farmer-centric partnership that leverages NWU's advanced research capabilities and Kgodiso's market access to build a resilient, productive and commercially viable agricultural sector for emerging commercial farmers. This will include a strategic focus on potentially high-value crops, including dry beans and groundnuts. This initiative moves beyond traditional extension services by embedding science directly into the farming framework. We will integrate advanced soil sensing, 4IR technologies and climate-smart agricultural practices to provide farmers with real-time, data-driven decision-making tools.

By focusing on a cohort of emerging commercial farmers, the project aims to create a scalable model for sustainable and profitable agriculture, directly aligning with the KDF's objective of empowering black-owned agricultural enterprises.



Key Objectives

This project will be guided by the following strategic objectives:

Objective 1: Establish a Comprehensive Provincial Baseline and Crop Screening

To conduct a data-driven screening of potential high-value crops (e.g., red speckled beans and groundnuts in rotation systems) by mapping provincial agroecological suitability, analysing market access and value chain potential, and establishing a baseline of farmer capacity, including the current need for equipment and skills.

Objective 2: Develop and Validate High-Value Crops and Climate-Smart Systems

To utilise on-farm and University-led research trials to test the most promising high-value crops, validating their performance under different climatic conditions and within diverse agricultural systems, such as crop rotation and regenerative agriculture, while quantifying impacts on soil health.

Objective 3: Deploy Accessible Digital Farming Technologies

To adapt, validate and scale advanced, cost-effective digital tools, including soil spectroscopic calibration algorithms and high-resolution soil maps, to provide farmers with rapid, site-specific management recommendations and bridge the gap in data-driven decision-making.

Objective 4: Drive On-Farm Implementation and Targeted Capacity Building

To provide a cohort of selected emerging commercial farmers with hands-on support and integrated training tailored to the specific agronomic, equipment, and skill requirements of the validated high-value crops, empowering them to transition towards more sustainable and profitable enterprises.

Objective 5: Facilitate Strategic Value Chain Integration and Market Access

To map and strengthen the value chain for the selected and validated high-value crops, creating tangible market linkages and developing sustainable cooperative and business models that ensure commercial success for participating farmers.

> "In a world facing increasing food security challenges, climate change impacts, and the need for agricultural transformation, innovative approaches to farmer development and sustainable agriculture are more critical than ever."

Enhanced Bursary and Farmer Development Initiative

This document outlines the Enhanced Bursary & Farmer Development Initiative, a strategic partnership between the University of Limpopo (UL), PepsiCo South Africa, and the Kgodiso Development Fund. With a total budget of R5 million, the initiative aims to address agricultural challenges in Limpopo Province by focusing on two main areas: providing comprehensive bursaries to 25 final-year BSc Agricultural Science (Crop Production) students to secure a skilled workforce, and expanding training through Short Learning Programmes (SLPs) and workshops for at least 120 smallholder potato farmers to strengthen PepsiCo's supply chain. The programme also includes an applied research component to inform its activities and ensure evidence-based interventions.

The implementation will follow a structured 12-month work plan, managed by a tripartite Project Steering Committee. Key phases include the selection and support of bursary students, the delivery of two SLP cohorts and workshops for farmers, and the execution of a targeted research project on the potato value chain. A robust monitoring and evaluation framework is outlined, featuring monthly progress reports, quarterly committee meetings, and a final audit to track key performance indicators such as student graduation rates and the number of farmers trained.

In conclusion, the initiative represents a holistic approach to agricultural transformation, aligning with broader national and international development goals. By simultaneously investing in future talent and current farmer capability, the partnership seeks to create a sustainable and resilient potato supply chain while delivering tangible benefits for students, the farming community, and the regional economy. The proposal emphasizes the commitment of all partners to a scalable model of collaboration that drives productivity, innovation, and inclusive growth.

Stellenbosch University

Overview

South Africans love oats but our local supply chain doesn't yet match that demand. Most oats used for breakfast porridge manufacturing are still imported because local planting is geared towards animal feed, and wheat remains the farmer's choice thanks to strong long-term yields. For oats to be grown locally at commercial scale, they must compete directly with wheat and other established crops. Changing that takes the right seed, the right growers and right science.

PepsiCo's Agronomy team identified promising varieties for trials, and began the process of local seed multiplication to support the sector, attract and retain growers who can deliver consistent supply, and strengthen future contracting for business growth. The aim is to support South African farmers with varieties that deliver improved yields, quality and disease tolerance.

Trials were conducted with the University of Stellenbosch to scientifically select the best cultivar out of 24 cultivars evaluated. The assessment focused on adaptability to South African weather conditions, rust resistance plants and strong performance in yield and nutrition. The best-performing varieties were selected for commercial trials, to be planted by commercial farmers and processed in the mill for further evaluation and qualification.

Objective

The oats variety trials bring different oat cultivars into the same field conditions to enable performance comparison side-by-side, focusing on the measures that matter most: yield, nutrition, adaptability to South African conditions, and disease resistance.

By qualifying the best-suited variety, PepsiCo can attract and retain growers who consistently deliver quality supply and enable future contracting to support business growth. By involving emerging farmers, the programme also helps build capability and inclusion, developing farmers to participate in a more sustainable, long-term oats value chain. This supports PepsiCo's goal to source oats for local production within South Africa by 2025, advancing the company's sustainability agenda through localising supply and helping reduce the carbon footprint associated with imports.

Beyond the farm, the right variety improves milling and production efficiencies, particularly through stronger dehulling performance and better yield efficiency in production. This reduces mill costs, increases output and lowers waste. Finally, with a clear focus on nutrition, PepsiCo aims to deliver an oats product with strong protein, fat and fibre performance supporting superior nutrition for consumers.

Progress to date

In February 2021, 19.5 metric tonnes (MT) of seed arrived from Australia. A portion was allocated to an external partner for seed multiplication, while 18 MT was distributed to three commercial entities (6 MT each) for commercial planting trials. Two growing regions in the Cape Town area were used, and all harvested oats were supplied to Pioneer Foods (PepsiCo) for further evaluation. In total, 280 hectares of the first variety were planted across the three commercial farmers.

Following seed multiplication and PepsiCo contracting emerging farmers to participate in oat variety trials from 2022, the programme is now well underway toward the goal of 54,000 hectares plant, supporting the localisation of oats supply within South Africa and reducing reliance on imports.

Research & Development, in conjunction with the Supply Chain team is in the final year of monitoring the first variety in the production plant. Successful trials in 2023 paved the way for the qualification of the first variety in 2024, with a second variety already being monitored in the production plant since 2024.

This initiative aligns with PepsiCo's sustainability agenda by advancing localisation, reducing the carbon footprint associated with imports, and supporting superior nutrition, ultimately contributing to the well-being of both the planet and its people.

Human Capital Management Report

Investing in Excellence as the Foundation for Growth

Strategic Role of Human Capital

At the Kgodiso Development Fund (KDF), people are our most valuable asset. Human capital is central to driving our mandate of enabling inclusive agricultural development by facilitating access to funding, access to markets and access to affordable advice for farmers.

The implementation of our human capital framework ensures that the Fund achieves its developmental mission while balancing financial sustainability and operational efficiency. This framework anchors the Fund's operating model on its vision, mission, and strategy, and ensures that:

- Business resource requirements are optimally matched to key organisational, asset, and talent needs.
- Performance is driven and measured consistently across business, team, and individual scorecards.
- Management and staff focus on parameters that matter most: farmer development outcomes, founder objectives, and Department of Trade, Industry and Competition (**the dtic**) socio-economic beneficiation outcomes.

Operating model

KDF's operating model is built on three implementation themes, as follows:

- Lending for capital return
- Targeted farmer development, anchored on demand-driven supply chains such as PepsiCo
- Lean-core, insource–outsource operating structure

Our people strategy is tightly integrated with this operating model. By cultivating a high-performing, values-driven team, we ensure that every aspect of KDF's work translates into sustainable impact for farmers, partners and stakeholders, as this Integrated Report seeks to demonstrate.

Workforce Profile and Organisational Structure

KDF operates with a lean, high-performing team supported by strategic partnerships. The current organisational structure comprises a staff complement of five as shown below:

- Executive Leadership: 1 Executive Director
- Senior Management: 3 functional heads (Business Development, Finance, Agribusiness/Post-Investment)
- Middle Management: 1 Senior Credit Investment Analyst
- Junior Management: 1 Investment Analyst

Functional outputs are structured as follows:

- Pre-Investment: Head of Business Development, Senior Credit Investment Analyst and Investment Analyst.
- Finance and Risk Management: Head of Finance, supported by outsourced accounting and payroll services (Nexia SAB&T Pty Ltd).
- Post-Investment Management: Head of Agribusiness, supported by BDSP-Business Development Service Provider for pipeline and risk management

This lean-core approach ensures that strategic functions remain in-house while specialist or administrative services are outsourced to trusted partners.

Workforce Highlights:

- Strong African women make up the majority of the KDF team, bringing diverse backgrounds and expertise.
- Staff qualifications include BCom degrees and specialisations in agricultural economics, finance, and accounting.
- Organisational growth: From a single staff member at inception to six professionals currently.

This evolution reflects both the Fund's steady growth and its commitment to investing in people who embody excellence.

Talent Acquisition and Onboarding

KDF's recruitment philosophy is rooted in sourcing diverse, values-driven and high-performing individuals aligned with the Fund's development objectives.

- Recruitment: Managed by our HR partner in collaboration with industry partners to ensure access to top talent in agriculture, finance and development.
- Onboarding: Structured to align recruits with KDF's mission, vision, values and high-performance culture.
- Diversity: Gender equity and diversity remain central, reflected in the current team composition.
- Youth-centric: While no internship or graduate initiatives have been implemented to date, these remain a priority for future capacity-building. As an organisation that is young at heart, KDF is committed to learning and growth as a key tenet of our operational DNA.

Learning, Development and Capacity Building

KDF recognises that continued learning is essential to individual and organisational excellence. The Fund actively supports staff in further studies and upskilling aligned with strategic objectives.

- Professional Development: Annual participation in technical conferences ensures the team remains current with innovations in agriculture, investment and development.
- Performance Management: A Balanced Scorecard (BSC) framework is applied to set, monitor and review performance targets at all levels.
- Leadership Development: Managers are empowered to strive for high-performance and results-driven outcomes as well as delivery against the Fund's values and objectives.
- Organisational Values: The KDF team is bound by a shared commitment to:
  - Serve our clients (put clients first)
  - Respect for all
  - Integrity in all dealings
  - Deliver to our principals
  - Work in teams and hold each other accountable

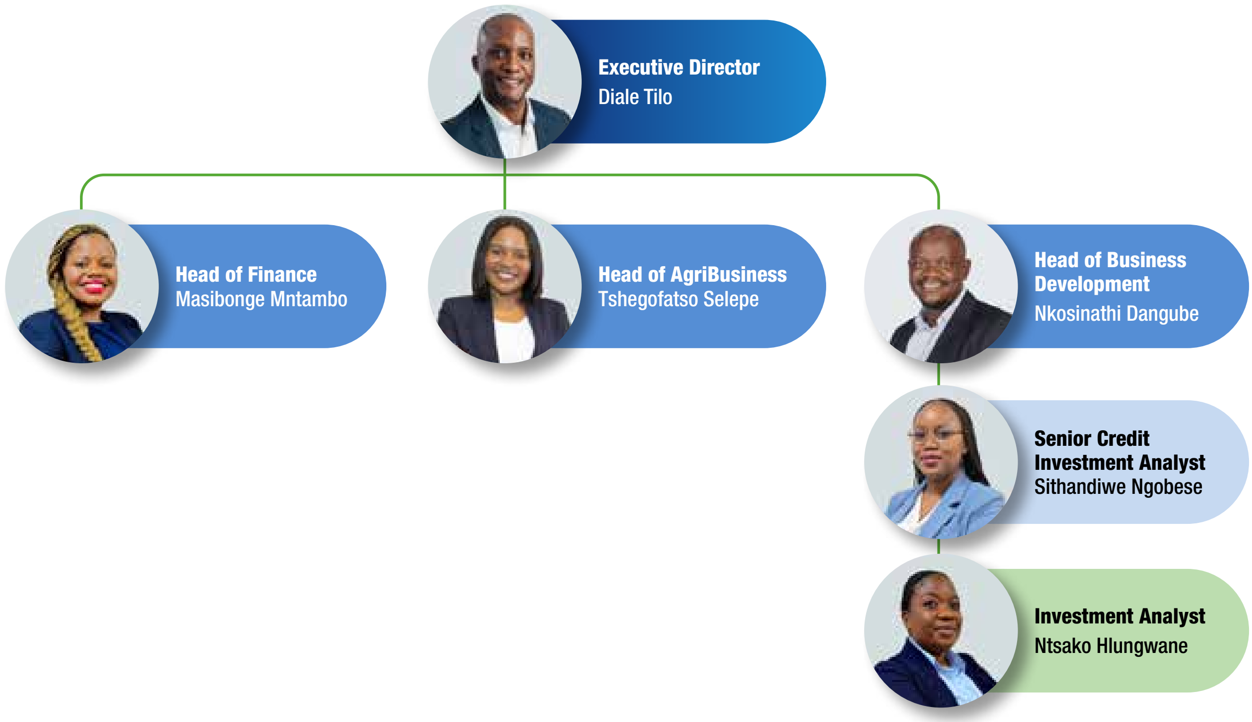
Through these values, KDF maintains a culture of excellence and accountability.

Conclusion: Excellence as the Foundation for Growth

KDF's people are the foundation of its impact. By combining a lean operating model with targeted talent development and a values-driven culture, the Fund ensures that its human capital directly drives its mission of agricultural transformation.

As KDF transitions from its ramp-up phase into maturity, its people remain the cornerstone of growth, impact and sustainability.

Organisational reporting structure



KDF Life-to-date Performance Milestones

Prudent Management for Developmental Success

Key Performance Area	Milestones
Approvals	**R246m approved** for black entrepreneurs ▶ **R233m Agric** ▶ **R12m SMMEs**
Cummulative leveraged funding	▶ **R75m, co-funding** ▶ **R17m owner contributions** Technical BDSP services: **R10m** Financial/ Business Support services: **R2m**
Geographic spread	Developmental presence across **8 of South Africa's provinces**
Job creation	Supported **1512 jobs and job opportunities** countrywide
Corporate governance	Achieved **3 successive years** of clean external audits
Sustainability	**R98 million** repaid by investees, demonstrating that KDF funds viable businesses and nurtures their sustainability and growth
Post investment	Committed to the success of entrepreneurs through provision of ongoing monitoring, mentorship, coaching and restructuring to mitigate distress

Investee stories

Sustainable Grain Production

North-West, Free State, Mpumalanga and KZN

Phahama Grain Phakama provides commodity strategic support and services to South African grain producers. Through Farmer Development Programme (FDP), Phahama Grain Phakama has provided agricultural development support to emerging farming enterprises for more than 20 years.

Phahama Grain Phakama had a portfolio of farmers who they have supported over the years and have facilitated access to finance from Standard Bank. The finance catered for 50% of the farming requirements.

"During the reporting period, BDSPs **facilitated the origination** and **approval of transactions across diverse commodities** and geographies, thereby expanding the reach and inclusivity of KDF's portfolio."

The KDF was approached to provide co-funding of production inputs to this cohort to enable the farmers to access their full funding requirement at a blended interest rate.

The farmers received their inputs on time and the blended interest rate will increase their profitability.

The KDF in collaboration with Phahama Grain Phakama and Standard Bank, has recently extended funding to a total of 18 farmers for the 2022/23 summer grain season. The significant investment for this season, which will be allocated towards production inputs and working capital costs.

This funding comes as a vital boost to the agricultural sector, as it supports farmers in their efforts to increase production and ensure the availability of essential crops while developing their businesses. With this funding, the farmers will have the necessary resources to cultivate their lands.

The KDF, Phahama Grain Phakama, and Standard Bank have always been committed to promoting sustainable development in agriculture. This partnership is a testament to their shared vision of supporting small and medium black enterprises and promoting food security.

Sustainable Raisin Production
Northern Province

The Vine Academy and Model Farm

The Vine Academy and Model Farm project is being established in Kakamas in the Northern Cape. The project involves an substantial investment for the first year, in a partnership with Raisins SA.

The Vine Academy and Model Farm project is set to make a significant contribution to the agricultural sector by providing classroom-based and practical training for emerging farmers and farmworkers. The academy's curriculum is designed to equip participants with the necessary skills and knowledge to become successful raisin farmers and contribute to the growth of the industry.

Furthermore, the model farm will serve as a research and development (R&D) centre for raisin farming and production in South Africa. It will provide a platform for innovative research on best practices for raisin farming and production. This will enhance the efficiency and productivity of raisin farming in the country.

Kgodiso is proud to be part of this initiative, which aligns with our mission of promoting sustainable development in the agricultural sector. We believe that this project will contribute significantly to the development of the Northern Cape region and the South African agricultural industry at large.

Farming Enterprises

KDF's second project in the raisins industry involves the investment amount as loans for three emerging farmers at a concessionary rate to expand their raisin production.

This funding will enable these farmers to expand their raisin production. In addition to the financial support, the farmers will also receive business development support from Raisins SA, which will help them commercialise their enterprises.

KDF is committed to promoting sustainable development in the agricultural sector and empowering black SMMEs to become successful. This initiative is part of our effort to drive economic growth and development in the agricultural industry.

We believe that this project will not only contribute to the growth of the raisin industry but also create employment opportunities and stimulate economic development in the region. We are excited to see the positive impact of this project on the lives of black farmers.

Youth-led farming sparks hope and transformation

by Diale Tilo

Despite barriers, young South Africans are reshaping agriculture. Diale Tilo, executive director at Kgodiso Development Fund, shares how others can learn from youth making waves in agriculture.

Even though young people aged 18 to 34 make up over a third of the South African population, the average age of a farmer in South Africa is 62 years old (Sihlobo, 2017). This means that currently, young people are largely underrepresented in the agricultural sector, and given how key this demographic is to its transformation, this poses a serious risk.

Despite growing urgency, agriculture continues to be overlooked by young people. Many still view farming as outdated, unskilled, and labour-intensive – an image that fails to reflect the sector's evolving realities.

Barriers such as limited access to land, funding, training, and mentorship also contribute to this disconnect. As a result, many young people turn to urban employment, unaware that farming can be a viable and rewarding career path when supported by the right resources, networks, and knowledge.

The Kgodiso Development Fund (KDF) was founded by PepsiCo South Africa in 2020 with the strategic priority of addressing these exact barriers by supporting youth participation, rural economic development, and inclusive growth within the country's agricultural sector.

The young farmers that KDF has funded thus far have brought innovation, sustainability, and fresh energy with them. Their involvement promises to spark economic development, create jobs, and lead to the introduction of modern, climate-smart farming practices.

A new generation: Simphiwe Mabuza's story

At just 31 years old, Simphiwe Mabuza is a shining example of how the youth can lead the way in agriculture and represents the next generation of black commercial farmers. Based in Breyton, Mpumalanga, Mabuza runs operations at his father's farm, Lisise Farming, a 553-hectare grain operation. With the support of the Kgodiso Development Fund and Standard Bank, the farm secured R4.4 million in funding to grow its business.

For Mabuza, farming is about more than producing crops – it's about redefining what it means to be a young, black farmer in a historically exclusive industry. It's about legacy, breaking barriers, and expanding opportunities for future generations.

His love for farming began during school holidays, particularly Christmas breaks spent at his grandmother's house, where his father would gather the grandchildren at dawn to spread fertiliser using small buckets.

> “For my father, **farming wasn't just work, it was a way of life,”** Mabuza reflects.

With a diploma in operations management, he transitioned from metropolitan life to the fields, determined to bring his skills back to the land.

"It was a hard but necessary shift. This farm is part of my family's legacy," he says. "Many of my peers who've seen me running the farm have come to realise that, while it's demanding, it's far from impossible. You just have to start and seize the opportunities that come your way."

With nine years of hands-on production experience and four seasons of independently managed operations, Mabuza has shown impressive growth, technical competence, and business acumen. His operations stimulate local economic development and food security through grain production and transformation within the agricultural value chain.

Mabuza is not only scaling his own operations but is also becoming a role model in his community, leveraging mentorship from his father and sharing knowledge with peers, multiplying the developmental impact of this funding.

Importantly, farming is not just about innovation; it's also about preserving heritage. It's about blending traditional wisdom with modern techniques to create more sustainable, effective systems. This dual approach can only be driven by a generation that values both past and future.

Mabuza is committed not only to farming but also to uplifting the community around him. Lisise Farming partners with local service providers – from veterinary care to equipment maintenance – ensuring that the local economy benefits from its operations. Farmworkers regularly receive 50kg bags of mealie meal to support their families, and meat from livestock is shared as part of an ongoing tradition. The farm also donates mealie meal regularly to the local church.

This kind of community-rooted agriculture fosters resilience, combats malnutrition, reduces reliance on imports, and strengthens local food systems.

"It's about contributing to food security in this nation," Mabuza explains. "But it all starts here, with our community. No one is coming to save us – we are our own liberators. It's more than farming. It's about self-sufficiency for ourselves, our families, and our country."

The future is growing

With youth unemployment a pressing issue, agriculture stands out as a career that not only sustains life but also offers economic transformation, especially in a market like South Africa.

Globally, agriculture contributes over 25% to the GDP of many developing countries. Engaging youth can supercharge this impact by introducing technology, new energy, and modern solutions. Young people are well-positioned to integrate advancements such as AI, drone technology, and remote sensing into traditional practices, elevating the entire industry.

Farming, when reimagined and restructured, can unlock economic freedom, social equity, and environmental sustainability. Farming is about more than just growing food; it's about shaping a future that works for everyone: economically, socially, and environmentally.

Youth are not just the future of farming; they are the now. With access to land, resources, and knowledge, they can radically transform both their communities and the broader agricultural landscape of South Africa.

It's time to invest in the next generation of growers and, in doing so, invest in the prosperity of the nation.

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foodformzansi.co.za
THE NEW FACE OF SOUTH AFRICAN AGRICULTURE

PepsiCo's Kgodiso Fund gets behind agri-tech platform Khula!

Multinational food and beverage group PepsiCo has announced an investment by its independent fund Kgodiso Development Fund into agri-tech company Khula! To support sustainable finance and market access opportunities for emerging farmers.

Kgodiso exists to empower emerging farmers and help them achieve commercial success and resilience, while Khula! Is an agri-tech digital ecosystem of platforms that enable small- and medium-sized agricultural enterprises, as well as commercial farmers and distributors, to fully participate in the agricultural value chain.

By using disruptive technologies, Khula! Connects South African farmers with agricultural input suppliers, bulk buyers and with financing in a connected digital ecosystem.

The investment from Kgodiso will enable Khula! to continue developing innovative ways to sustainably finance emerging farmers, as well as support a marketplace that allows farmers to grow and bridge gaps to market access.

Khula! CEO Karidas Tshintsholo says PepsiCo's support positions the company well for offtakes on its trader platform, while PepsiCo's global presence and value chain will support Khula!'s ambition to scale up beyond South Africa.

PepsiCo CEO for Africa, Middle East and South Asia Eugene Willemsen says strategic partnerships with innovators such as Khula! Help to address local development challenges and tackle knowledge and skills gaps across the South African food system.

> “With the scale and reach of PepsiCo, this opens up a new route to market for farmers and producers,” he adds.

PepsiCo and the Kgodiso Fund join existing shareholders Absa, AECI and E-squared as investors in Khula!.

Sourced from Creamer Media’s Engineering News

CREAMER MEDIA'S ENGINEERING NEWS

PepsiCo's Kgodiso Fund gets behind agri-tech platform Khula!

The Kgodiso Development Fund, founded by PepsiCo South Africa has invested nearly R10-million in two Limpopo potato farmers in a bid to propel black emerging farmers to the ranks of commercial farmers in South Africa, an industry dominated by white farmers.

Phophi Raletjena's farm received funding of R7-million for his farming operation, an investment that will cultivate 50 hectares of land.

The agreement between the parties will see 30% of the production at the farm dedicated to PepsiCo South Africa, which produces Simba chips.

> "Potatoes are a crop of the future, presenting opportunities to address food security. With the support from Simba, I'm on a mission to feed the world with potatoes," Raletjana said.

Another beneficiary is a female farmer, Zelda Masoga, who secured R1-million in funding for her Mazeli Farming and Projects.

Masoga works 10 hectares and she is currently applying to PepsiCo SA to supply potatoes for its potato chip business.

"In our humble beginnings, we initiated our farming venture with a small backyard plot. As demand steadily increased, it became evident that this space could no longer suffice. Subsequently, we expanded to a larger farm – a transition not without its hurdles, particularly as a woman farmer," Masoga said.

"Throughout this journey, we've learned the value of patience, as farming yields no instant gratification. With this financial injection, we are poised not only to expand our business but also to play a pivotal role in job creation, while ensuring that more families have food on their table."

Raletjena and Masoga's operations are located in the potato belt within the Capricorn District of Limpopo, renowned for its superior quality potatoes.

US-based PepsiCo produces household products in more than 200 countries and territories around the world.

Its beverage and convenient foods portfolio includes Lay's, Doritos, Cheetos, Gatorade, Pepsi-Cola and Mountain Dew, among other brands.

The group, which generates $1-billion in estimated annual retail sales, also owns brands such as Weet-Bix, Simba, Liqui Fruit, Lay's, Sasko and White Star.

Diale Tilo, the executive director of the Kgodiso Development Fund, said agriculture is a vital engine of growth for the South African economy.

"This sector has the potential to uplift many struggling South Africans by increasing food production, stimulating economic activity, and creating job opportunities. The fund's mission is clear: to create shared value solutions that enhance the long-term sustainability and resilience of the country's food system," Tilo said.

The fund was created following the 2020 R26-billion takeover of Pioneer Foods by PepsiCo, a transaction that today is the US company's largest deal made outside its home market.

One of the conditions of the deal was that PepsiCo will set up a development fund of R600-million, which includes R300 million for emerging farmers. Unlock immense potential of South Africa's human capital by addressing key skills and knowledge gaps in the food system and R100-million for entrepreneurs.

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Sunday World

PepsiCo, Absa back South Africa farmers' online marketplace

PepsiCo Inc.'s South African development fund and local lender Absa Group Ltd. are backing a mobile marketplace for farmers that enables them to sell their products as well as source logistics, technical expertise and financing.

> "At PepsiCo South Africa, agriculture is central to our business – annually we procure over **1.6 million metric tons** of local maize, wheat, raisins, oats, and potatoes, which we then process into our iconic consumer brands such as SASKO bread, White Star maize meal, Safari dried fruit, Simba and Lay's potato chips to name but a few".

The Khula app has 20 000 users ranging from emerging to commercial farmers, and targets 200 million rand ($10.7 million) in funding by mid-year, co-founder and Chief Executive Officer Karidas Tshintsholo said in an interview. It has raised 126 million rand to date in a funding round led by E Squared Investments.

Image: Waldo Swiegers/Bloomberg

Khula Pty Ltd.'s app has 20 000 users, ranging from emerging to commercial farmers, and targets R200 million in funding by mid-year, co-founder and CEO Karidas Tshintsholo said in an interview.

It has raised R126m to date in a funding round led by E Squared Investments, he said.

Pepsico - whose Kgodiso Development Fund has backed Khula - is the biggest buyer on a closed trading platform that allows pre-approved farmers to sell to buyers from supermarkets and others, said Tshintsholo.

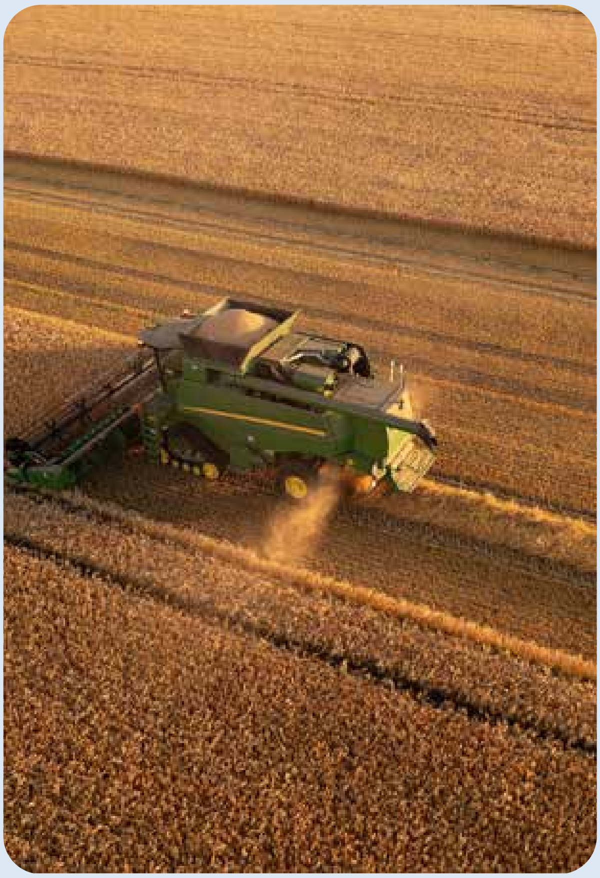
In an effort to redress inequities stemming from apartheid, South Africa's government requires multinational companies operating in the nation to set up local funds to support local initiatives in lieu of selling shares to Black South Africans in so-called equity-equivalence programmes.

All of the company's shareholders from previous seed-funding rounds - including South African specialty-chemicals company AECI Ltd. and Khula's founders - participated in its series A programme, and it will seek strategic investors to close the round, he said.

"As part of the series A funding, we will scale the South African operations and look to set up pilots in East Africa, and potentially Latin America," said Tshintsholo, without giving details on the company's current size.

Its valuation has increased 10 times since its seed-funding round in 2023, he said.

Africa is home to the world's fastest-growing population and has about 60% of its people working in agriculture.



The continent also has about three-fifths of Earth's uncultivated arable land, yet it still imports much of its food, according to the African Development Bank.

To change this, Africa needs investors and technology firms to assist with expertise and bridging the gap left by an absence of infrastructure in many parts of the continent.

The AfDB estimates that the current financing shortfall in Africa's agriculture industry is as much as $65 billion a year. Khula has secured buyers willing to spend about R1 billion to purchase produce from emerging farmers over the next three seasons in so-called off-take agreements, Tshintsholo said.

The firm has incorporated artificial intelligence into its software models to help food growers identify crop diseases, among other functionalities, he said.

"A farmer can also do things like take a picture of a rotten tomato and the app will provide details on what's wrong with it through the models that we have trained," said Tshintsholo.

Khula is also experimenting with ways to provide funding to farmers, he said.

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Bloomberg

PepsiCo Foundation launches the Mzansi Black Business Accelerator

The PepsiCo Foundation, Kgodiso Development Fund and FoodBev Manufacturing SETA have teamed up to form the Mzansi Black Business Accelerator programme; designed to address the challenge of access to finance and accelerate growth for aspiring young, black foodservice entrepreneurs.

Source: Unsplash

The Mzansi Black Business Accelerator initiative will provide grant funding, loans on preferred rates, wraparound services, and training for 50 entrepreneurs to establish and grow food service businesses that will generate additional household income.

This additional household income will be used to uplift Black women and youth (18-35 years old) from Gauteng, Kwa-Zulu Natal and Western Cape, who have an entrepreneurial spirit and who currently earn at least R10,000 per month.

Programme participants will receive grant funding and loans on preferred rates to set up a vending machine business. In addition to the funding, participants will receive mentorship and training in various aspects of running a food service business. This includes understanding the location strategy for the vending machine, product mix management, and financial management.

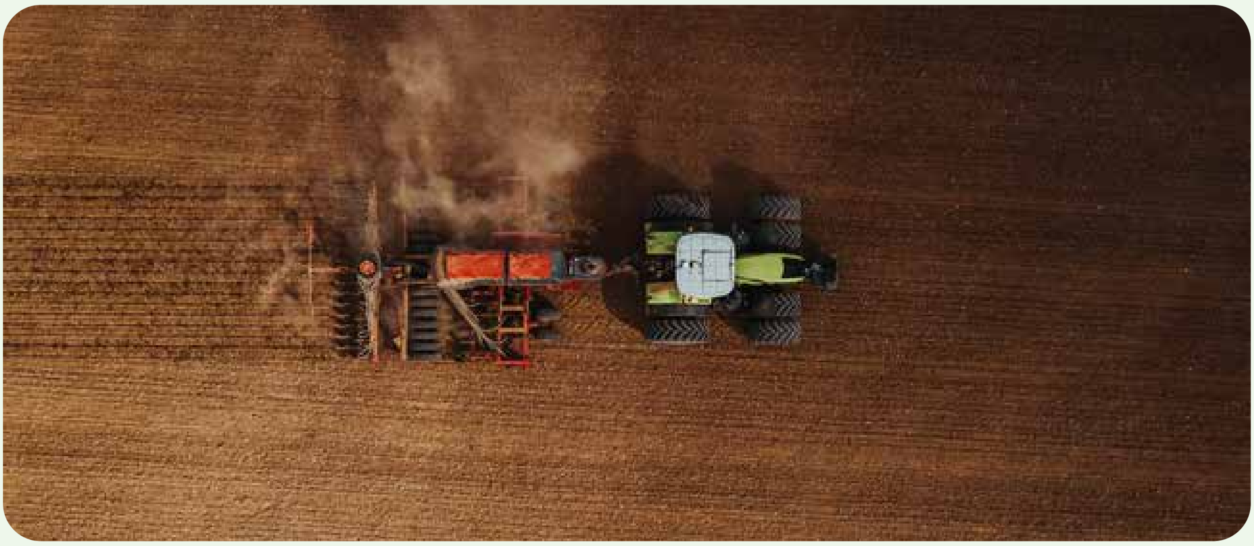
"The partnership framework between the PepsiCo Foundation, Kgodiso Development Fund, and the FoodBev SETA addresses the challenge of access to finance for young Black South African foodservice entrepreneurs. Investing in food enterprises supports our ambition to create opportunities for the people in our communities to grow and thrive," shared C.D. Glin, president of the PepsiCo Foundation and global head of social impact for PepsiCo.

Nonie Mokose, a trustee on the Kgodiso Development Fund', added: "Think of the vending machine initiative as a modern-day version of a 24/7 micro-enterprise. This programme will drive a step-change in economic empowerment and help to address the security, cost, and management challenges of starting a small shop."

The Mzansi Black Business Accelerator initiative, according to Nokuthula Selamolela, CEO of FoodBev Manufacturing SETA, said: "By joining forces with the PepsiCo Foundation and the Kgodiso Development Fund, we are not only investing in the future of these individuals but also contributing to the broader goal of advancing skills development across South Africa. ."

> "To address an identified resource scarcity of black agronomists, PepsiCo and KDF have committed to **supporting** and **developing three agronomy students through a formal work integrated learning programme providing experience** via managed rotation across various departments."

Interested entrepreneurs can visit the Kgodiso Development Fund website https://kgodisofund.co.za for eligibility criteria, programme details and to apply. Submissions will close on 16 April 2024.



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Acknowledging our Stakeholders

Smart Partnerships for Developmental Success

Stakeholders are vital for the success and legitimacy of a development finance institution such as KDF. As catalysts for growth, they provide strategic direction, accountability, resources and partnership for operational impact.

As clients, collaborators, regulators and contributors, stakeholders ensure that KDF remains responsive to the developmental needs it was created to address. Their insights help shape impactful programmes, while their oversight strengthens transparency and governance. Engaged stakeholders also build trust and alignment, ensuring that KDF's efforts support national priorities like inclusive growth, transformation, and job creation.

Ultimately, stakeholders are not just external observers—they are co-creators of impact, helping KDF to remain credible, effective, and connected to the communities it serves. Their involvement is essential to the Fund's long-term sustainability and public value.

PepsiCo SA is a founding anchor of KDF, providing catalytic funding, industry expertise and strategic vision. Its commitment to inclusive growth and sustainable agriculture aligns with KDF's mission to transform value chains and empower emerging farmers and entrepreneurs.

The Department of Trade, Industry and Competition (**the dtic**) is a critical stakeholder, providing strategic oversight, policy alignment, and developmental guidance. Its support ensures that KDF's initiatives contribute to national goals—promoting inclusive growth, industrialisation, transformation, and competitiveness across agriculture, agro-processing, and enterprise development value chains.

Black farmers are essential partners for KDF because they represent the heart of inclusive agricultural transformation and food security in South Africa. Their empowerment is key to addressing historical inequities, unlocking rural economic potential, and broadening participation in high-value agri-industries. By partnering with black farmers, KDF ensures its investments drive sustainable development, local ownership, and community upliftment. These farmers bring deep indigenous knowledge, resilience, and a vital connection to underserved areas. Supporting them is not only a moral imperative, but also a strategic pathway to creating a more equitable, productive, and competitive agricultural sector.

The Gauteng Enterprise Propeller partners with KDF to support small enterprises, drive local economic development, and promote entrepreneurship. Its regional focus complements KDF's mission to empower emerging businesses and strengthen agro-processing value chains in Gauteng.

Standard Bank is a key stakeholder, offering financial expertise, capital solutions, and deep sector insights. Its support strengthens KDF's ability to fund high-impact projects, expand access to finance for emerging enterprises, and drive inclusive economic growth across rural and agro-industrial sectors.

Phahama Grain Phakama

Phahama Grain Phakama strengthens smallholder grain farmers through sustainable production, capacity building, and improved market participation. For KDF, this partnership ensures that grain farmers are better positioned for growth, resilience, and integration into competitive value chains.

Raisins South Africa provides vital industry insights, quality standards, and market linkages for farmers in the raisin sector. By collaborating, KDF enhances farmer readiness, compliance, and competitiveness, opening pathways into local and export markets.

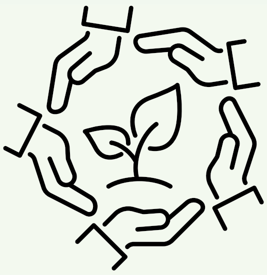
Global Development Brucol

Global Development Brucol brings international expertise, innovative approaches, and climate-smart practices that enrich KDF's farmer support. This ensures farmers access modern agricultural solutions while building resilience and global competitiveness.

The mass media are essential stakeholders for KDF, serving as a powerful conduit for public awareness, transparency, and accountability. Through storytelling and coverage, media amplify KDF's impact, share beneficiary successes, and engage citizens. They help build trust, attract partners, and mobilise national support for inclusive growth, agricultural transformation, and enterprise development across South Africa.

Enterprise Room

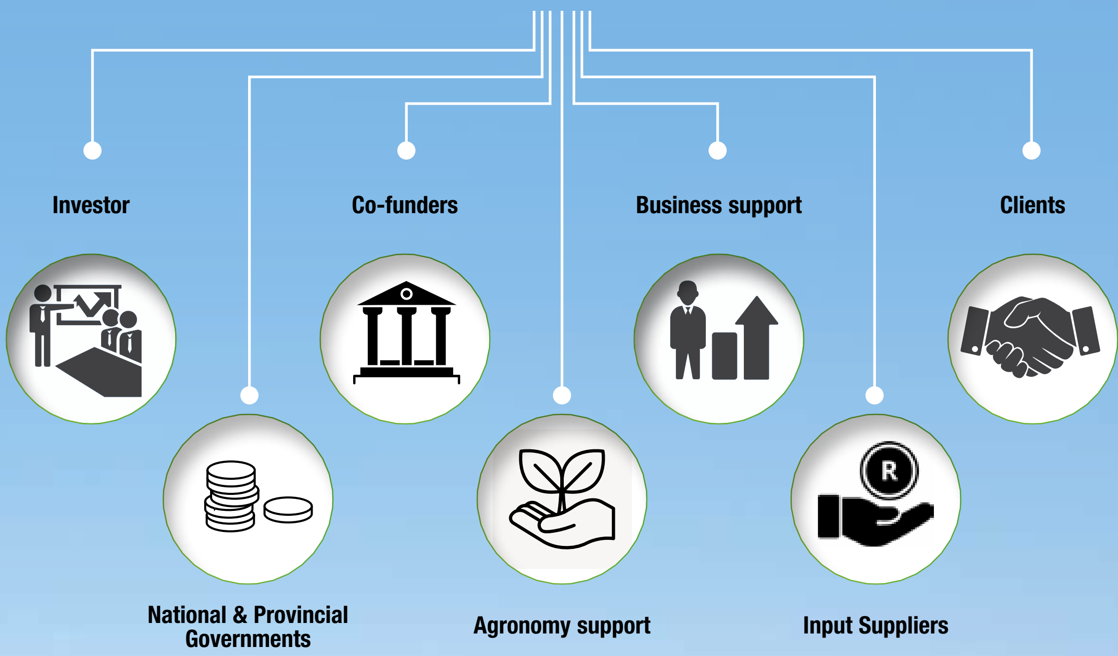
Enterprise Room drives enterprise and supplier development, with a strong track record in supporting black-owned businesses. For KDF, this partnership ensures farmers receive integrated support—mentorship, market access, and capacity building—to thrive sustainably in commercial supply chains.



Entities such as the African Farmers Association of South Africa, Black Farmers Association of South Africa, Southern African Confederation of Agricultural Unions, and the South African Farmers Development Association (SAFDA) are vital stakeholders for the Kgodiso Development Fund (KDF) as they represent the interests, needs, and aspirations of smallholder, emerging, and black farmers. Their participation ensures inclusive, grassroots-driven agricultural development aligned with transformation goals. These organisations help identify challenges, co-create solutions, and facilitate access to funding, training, markets, and infrastructure—thereby enabling KDF to effectively target its interventions and unlock the full potential of South Africa's agricultural value chain.

Ukhanyo Farmer Development (UFD) supports small-scale and subsistence farmers operating within cooperative structures, individual land ownership arrangements, and farmers organised into clusters and/or study groups. Ukhanyo Farmer Development (UFD) provides Kgodiso Development Fund (KDF) with comprehensive agronomic support, including production planning, in-season crop management, and close-out reporting across funded farming entities.

Nature of partnerships



Annual Financial Statements
for the year ended 28 February 2025

The supplementary information presented does not form part of the annual financial statements and is unaudited.

Trustees' Responsibilities and Approval

The trustees are required to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the Trust as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with the International Financial Reporting Standard for Small and Medium-sized Entities and in compliance with the Trust property control Act 57 of 1988, and the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council.

The annual financial statements are prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, the Trust property control Act 57 of 1988 and the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments and estimates.

The trustees acknowledge that they are ultimately responsible for the system of internal financial control established by the Trust and place considerable importance on maintaining a strong control environment. To enable the trustees to meet these responsibilities, the board of trustees sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the Trust and all employees are required to maintain the highest ethical standards in ensuring the Trust's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the Trust is on identifying, assessing, managing and monitoring all known forms of risk across the Trust. While operating risk cannot be fully eliminated, the Trust endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The trustees are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The trustees have reviewed the Trust's cash flow forecast for the year to 28 February 2026, that together with the fact that the PepsiCo Group has committed to contribute R400 million over a five year period to enable the Trust to deliver its objectives, give the trustees comfort that the trust will continue as a going concern. To date the PepsiCo Group has contributed R226 million and R174 million remains to be received by the Trust.

The external auditors are responsible for independently auditing and reporting on the Trust's annual financial statements. The annual financial statements have been examined by the Trust's external auditors and their report is presented on pages 50 to 51.

The annual financial statements set out on pages 52 to 67, which have been prepared on the going concern basis, were approved by the board of trustees on 10 June 2025 and were signed on its behalf by:

Approval of annual financial statements

Setlakalane Alfred Molepo

Nicodemus Machete Moloto

Trustees' Report

The trustees have pleasure in submitting their report on the annual financial statements of The Kgodiso Trust for the year ended 28 February 2025.

1. Nature of business

The Kgodiso Trust was formed on 26 August 2021 in South Africa with an interest in the food value chain. The Trust became operational from 01 March 2022 (it was dormant until then) and the Trust operates in South Africa.

The core business of the Trust is to serve as a development fund for investment programmes in South Africa with respect to agricultural and enterprise development.

2. Review of financial results and activities

The annual financial statements have been prepared in accordance with International Financial Reporting Standard for Small and Medium-sized Entities, the Trust property control Act 57 of 1988 and the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council.

Full details of the financial position, results of operations and cash flows of the Trust are set out in these annual financial statements.

3. Trustees

The trustees in office at the date of this report are as follows:

Trustees	Date of appointment	Date of resignation
Nicodemus Machete Moloto	12 November 2021	
Felix Lombard	31 March 2023	Resigned 31 December 2024
Setlakalane Alfred Molepo	12 November 2021	
Nonie Moliehi Malehloa Mokose	12 November 2021	
Christo Owen Van Der Rheede	12 November 2021	
Patrick Richard de Wet*	31 December 2024	
Odette Hartfslief	01 September 2023	

** Date of fully signed Board resolution.*

4. Events after the reporting period

During the 2025 financial year the Trustees were investigating conducting the operating activities of the Trust in a privately incorporated entity with the existing Trustees acting as directors of the company. The Trust would remain in place as the sole shareholder of the company. This operating structure is in effect and operations commenced in the company as from 01st March 2025.

On 27 February 2025, the International Accounting Standards Board (IASB) issued the third edition of the IFRS for SMEs Accounting Standard. The revised standard is effective for annual reporting periods beginning on or after 01 January 2027 with early adoption permissible. No early adoption decision has been made as at the date of approval of these financial statements.

5. Going concern

The Trustees believe that the Trust has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The trustees have satisfied themselves that the Trust is in a sound financial position and that it has access to sufficient cash facilities to meet its foreseeable cash requirements. The decision of the Trustees to conduct the operational affairs of the Trust in the new company will not adversely affect the going concern of the Trust as the Trust will be the sole shareholder of the company. The Trustees are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the Trust.

6. Auditors

Forvis Mazars was appointed as auditors of the Trust for 2025.

Forvis Mazars, Rialto Road
Grand Moorings Precinct Century City, 7441
PO Box 134, Century City, 7446

Tel: +27 21 818 5000
Fax: +27 21 818 5001
Email: office.za.cpt@forvismazars.com

forvismazars.com/za

Independent Auditor's Report

To the Trustees of The Kgodiso Trust

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of The Kgodiso Trust set out on pages 8 to 24, which comprise the statement of financial position as at 28 February 2025, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information. In our opinion, the financial statements present fairly, in all material respects, the financial position of The Kgodiso Trust as at 28 February 2025, and its financial performance and cash flows for the year then ended in accordance with IFRS for SMEs® Accounting Standard as issued by the International Accounting Standards Board and the requirements of the Trust Deed and Trust Property Control Act 57 of 1988.

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 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 in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The trustees are responsible for the other information. The other information comprises the information included in the document titled "The Kgodiso Trust Annual Financial Statements for the year ended 28 February 2025", which includes the Trustees' Report as required by the Trust Property Control Act 57 of 1988. The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, 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 Trustees for the Financial Statements

The trustees are responsible for the preparation and fair presentation of the financial statements in accordance with IFRS for SMEs Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Trust Property Control Act 57 of 1988, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees 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 trustees either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 trustees.
- Conclude on the appropriateness of the trustees' 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the trustees 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.

Forvis Mazars

Forvis Mazars
Partner: Ashson Swartz
Registered Auditor
Date: 26 June 2025
Cape Town

Summary statement of financial position

as at 28 February 2025

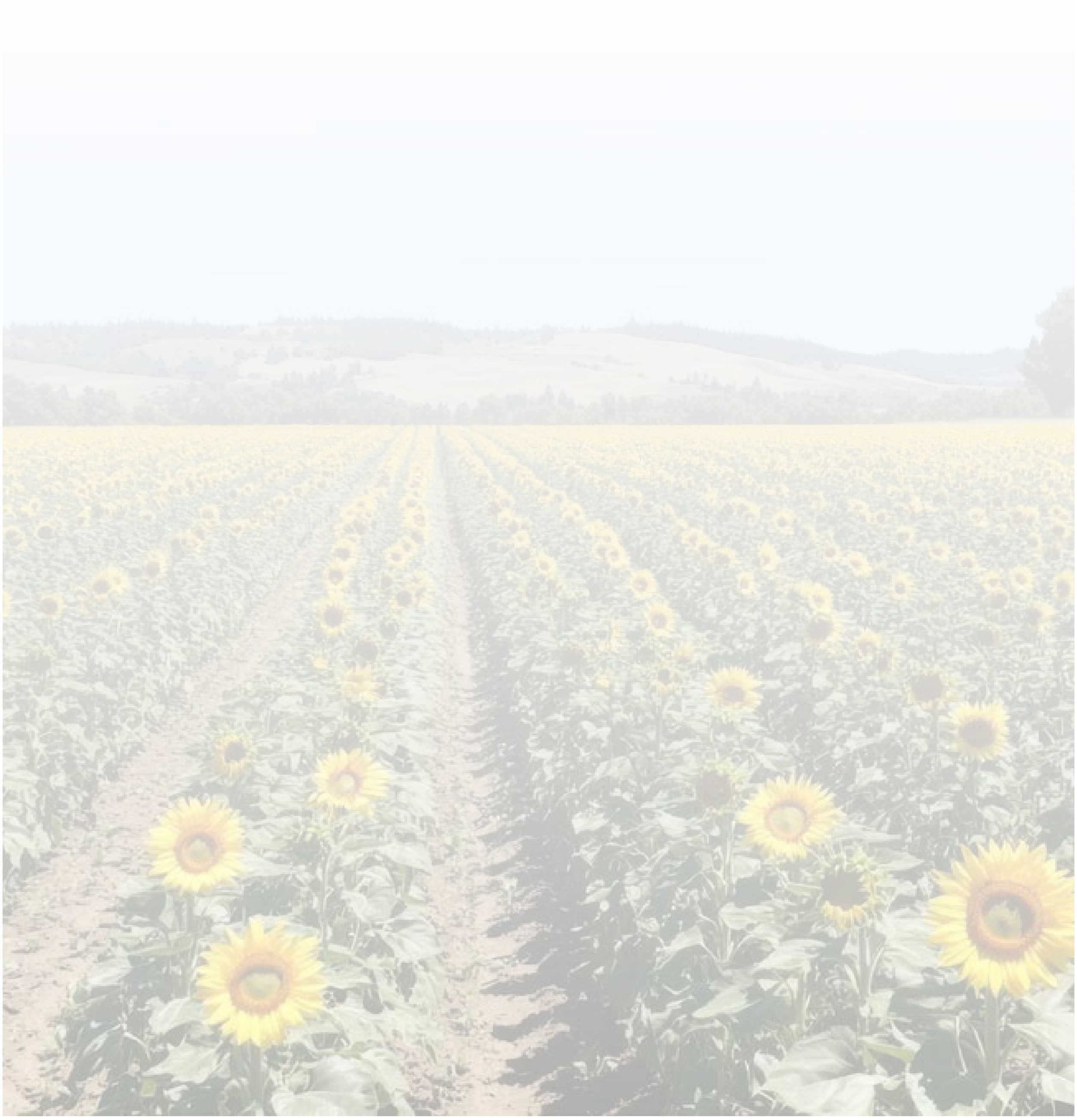
Figures in Rand	Notes	2025	2024
Asset			
Non-Current Assets			
Loans and advances	2	**23 538 027**	16 018 067
Deferred tax	5	**437 689**	130 577
Property, plant and equipment	19	**4 426 613**	-
Investment in subsidiary	20	**1**	-
Loan to group company	21	**1 999**	-
Loan receivable	29	**-**	4 530 000
Investment in shares held at cost	30	**9 275 009**	4 618 000
		37 679 338	25 296 644
Current Assets			
Loans and advances	2	**50 826 651**	43 869 941
Trade and other receivables	3	**2 385 507**	6 485 224
Cash and cash equivalents	4	**85 326 020**	81 907 626
Current tax receivable	14	**3 189 940**	2 780 750
		141 728 118	135 043 541
Total Assets		**179 407 456**	160 340 185
Equity and Liabilities			
Equity			
Trust capital	6	**1 000**	1 000
Accumulated surplus		**176 329 502**	158 872 120
		176 330 502	158 873 120
Liabilities			
Current Liabilities			
Trade and other payables	7	**2 714 290**	1 176 893
Provisions	8	**362 664**	290 172
		3 076 954	1 467 065
Total Equity and Liabilities		**179 407 456**	160 340 185

Statement of Comprehensive Income

Figures in Rand	Notes	2025	2024
Revenue	9	**43 127 640**	108 930 187
Other income	22	**3 205 711**	877 763
Operating expenses/Administrative expenses		**(24 463 538)**	(20 802 807)
Business development and support	18	**(5 269 948)**	(2 655 094)
Grant funding disbursed	17	**-**	(107 464)
Operating surplus	10	**16 599 865**	86 242 585
Investment income	11	**6 302 191**	7 301 133
Finance costs	12	**(137)**	(981)
Surplus before taxation		**22 901 919**	93 542 737
Taxation	13	**(5 444 537)**	(5 117 922)
Surplus for the year		**17 457 382**	88 424 815

Statement of Changes in Equity

Figures in Rand	Trust capital	Accumulated surplus	Total equity
Balance at 01 March 2023	1 000	70 447 305	**70 448 305**
Surplus for the year	-	88 424 815	88 424 815
Balance at 01 March 2024	**1 000**	**158 872 120**	**158 873 120**
Surplus for the year	-	17 457 382	17 457 382
Balance at 28 February 2025	1 000	176 329 502	**176 330 502**



Statement of Cash Flows

Figures in Rand	Notes	2025	2024
Cash flows from operating activities			
Cash generated from operations	15	**22 781 835**	71 703 964
Investment income		**6 302 191**	7 301 133
Finance costs		**(137)**	(981)
Tax paid	16	**(6 073 132)**	(8 559 637)
Net cash flow movement of loans and advances		**(16 992 416)**	(31 099 715)
Net cash from operating activities		**6 018 341**	39 344 764
Cash flows from investing activities			
Purchase of property, plant and equipment	19	**(2 427 947)**	-
Advancement of loans to group companies		**(2 000)**	-
Advancement of loans receivable		**-**	(4 530 000)
Purchase of financial assets	30	**(170 000)**	(4 618 000)
Net cash from investing activities		**(2 599 947)**	(9 148 000)
Total cash movement for the year		**3 418 394**	30 196 764
Cash at the beginning of the year		**81 907 626**	51 710 862
Total cash at end of the year	4	**85 326 020**	81 907 626

Accounting Policies

1. Basis of preparation and summary of significant accounting policies

The annual financial statements have been prepared on a going concern basis in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and in compliance with the Trust property control Act 57 of 1988, and the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council. The annual financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below. They are presented in South African Rands.

1.1. Significant judgements and sources of estimation uncertainty

Critical judgements in applying accounting policies

Management did not make critical judgements in the application of accounting policies, apart from those involving estimations, which would significantly affect the annual financial statements.

Key sources of estimation uncertainty

The financial statements do not include assets or liabilities whose carrying amounts were determined based on estimations for which there is a significant risk of material adjustments in the following financial year as a result of the key estimation assumptions.

1.2. Property, plant and equipment

Property, plant and equipment are tangible assets which the Trust holds for its own use or for rental to others and which are expected to be used for more than one period.

Property, plant and equipment is initially measured at cost.

Cost includes costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

Expenditure incurred subsequently for major services, additions to or replacements of parts of property, plant and equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the trust and the cost can be measured reliably. Day to day servicing costs are included in surplus or deficit in the period in which they are incurred.

Property, plant and equipment is subsequently stated at cost less accumulated depreciation and any accumulated impairment losses, except for land which is stated at cost less any accumulated impairment losses.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the trust.

The useful lives of items of property, plant and equipment have been assessed as follows:

	Depreciation method	Average useful life
Vending Machines	**Straight line**	65 months

When indicators are present that the useful lives and residual values of items of property, plant and equipment have changed since the most recent annual reporting date, they are reassessed. Any changes are accounted for prospectively as a change in accounting estimate.

Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in surplus or deficit to bring the carrying amount in line with the recoverable amount.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in surplus or deficit when the item is derecognised.

1.3. Investment in subsidiary

Investment in subsidiary is measured at cost less any accumulated impairment losses.

1.4. Financial instruments

Financial Assets

The Trust's principle financial instruments are loans and advances, cash and cash equivalents, equity investments, a convertible loan, trade receivables and other receivables.

Financial Liabilities

The Trust's principle financial instruments are trade and other payables.

Initial measurement

Financial instruments are initially measured at the transaction price (including transaction costs except in the initial measurement of financial assets and liabilities that are measured at fair value through surplus or deficit) unless the arrangement constitutes, in effect, a financing transaction in which case it is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial instruments at amortised cost

These include loans and advances, cash and cash equivalents, trade receivables and trade payables. Those debt instruments which meet the criteria in section 11.8(b) of the standard, are subsequently measured at amortised cost using the effective interest method. Debt instruments which are classified as current assets or current liabilities are measured at the undiscounted amount of the cash expected to be received or paid, unless the arrangement effectively constitutes a financing transaction.

At each reporting date, the carrying amounts of assets held in this category are reviewed to determine whether there is any objective evidence of impairment. If there is objective evidence, the recoverable amount is estimated and compared with the carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in surplus or deficit.

Loans and advances

All loans and advances are classified as basic debt instruments and are measured at amortised cost. The application of the requirements of both Sections 11 and 12 of IFRS for SMEs in full has been elected for recognition, measurement, and disclosure requirements.

Loans and advances are recognised as a financial asset when the Trust becomes a party to the contractual provisions of the loan. Loans and advances are initially measured at the transaction price.

At the end of the reporting period, loans and advances are measured as the net of the following amounts:

- the amount at which the financial asset or financial liability is measured at initial recognition,
- minus any repayments of the principal,
- plus or minus the cumulative amortisation using the effective interest method of any difference between the amount at initial recognition and the maturity amount minus, any reduction (directly or through the use of an allowance account) for impairment or uncollectability).

Loans and advances are derecognised when the contractual rights to the cash flows from the financial asset expire or are settled.

Trade and other payables

Trade and other payables are stated at their nominal value. The carrying amount of these payables approximates their fair value due to the short period of maturity of these financial instruments.

Cash and cash equivalents

Cash and cash equivalents are measured at fair value. The carrying amount of cash and cash equivalents approximates their fair value due to the short period of maturity of these financial instruments. Cash and cash equivalents consist of cash at bank, cash on hand and short term investments (call accounts) held to maturity.

Trade and other receivables

Trade and other receivables are stated at the nominal value as reduced by approximate allowances for estimated irrecoverable amounts. The carrying amount of these receivables approximate fair value due to the short period of maturity of these instruments.

Impairment of Financial instruments

The Trust assesses whether there is objective evidence of impairment of any financial assets that are measured at amortised cost at each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately. The impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that the entity would receive for the asset if it were to be sold at the reporting date.

If, in a subsequent period, the amount of an impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised The Trust shall reverse the previously recognised impairment loss in profit or loss immediately.

1.5 Tax

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

The tax charge for the current taxation is based on the results for the year as adjusted for income that is exempt and expenses that are not deductible using tax rates that are applicable to taxable income.

Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences.

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable surplus will be available against which the deductible temporary difference can be utilised.

Deferred tax asset is recognised for the carry forward of unused tax losses and unused STC credits to the extent that it is probable that future taxable surplus will be available against which the unused tax losses and unused STC credits can be utilised.

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

1.6 Employee benefits

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short- term cash bonus plans if the Trust has a present legal or constructive obligation to pay this amount due to past service provided by the employee, and the obligation can be estimated reliably.

1.7. Provisions

Provisions are recognised when the Trust has an obligation at the reporting date as a result of a past event; it is probable that the Trust will be required to transfer economic benefits in settlement; and the amount of the obligation can be estimated reliably.

Provisions are measured at the present value of the amount expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as interest expense.

Provisions are not recognised for future operating losses.

1.8. Revenue

Interest income:

Interest income arising from the disbursements of loans and advances is recognised in profit and loss when it is probable that the economic benefits associated with the transaction will flow to the Trust and the amount of the revenue can be measured reliably. Interest income is recognised using the effective interest method.

Grant income:

Where grant income received does not impose specified future performance conditions on the Trust, the funds are recognised as income when the proceeds are receivable. Where income received does impose specified future performance conditions on the Trust, income is recognised only when the performance conditions are met. Grant income received is recognised as income when the proceeds are receivable. Unused grant income received for Support, training and operations is deferred if not used in the year received. Grant income is measured at the fair value of the asset received or receivable.

1.9. Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred.

1.10. Contingencies

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Trust. Contingent liabilities are not recognised in the statement of financial position but disclosed in the notes when significant.

1.11. Trust capital and equity

Trust capital relates to the contribution of the Founder to the first Trustees to be held in Trust for purposes of fulfilling the Trust objectives (to be used for reasonable administrative costs, expenses and taxes).

1.12. Related parties

A related party is a person or entity that is related to the Trust (as defined in Section 33 of IFRS for SMEs). In considering each possible related party relationship, the Trust assesses the substance of the relationship and not merely the legal form. Transfers of resources, services or obligations between the Trust and the related party are reported as related party transactions.

1.13. Investment income

Investment income is recognised when an increase in future economic benefits related to an increase in an asset or a decrease of a liability has arisen can be measured reliably. The Trust's investment income relates to the interest income earned on the call account and is recognised at earlier of when the interest has accrued to the Trust or received.

1.14. Expenses

The recognition of expenses results directly from the recognition and measurement of assets and liabilities. The Trust recognises expenses in the statement of comprehensive income when the benefits related to a decrease in an asset or an increase of a liability has arisen that can be measured reliably. Expenses encompass losses as well as those expenses that arise in the course of the ordinary activities of the entity.

Notes to the Annual Financial Statements

2. Loans and advances at amortised cost

Loans funding activities relating to:

Figures in Rand	2025	2024
Grains	**45 762 900**	42 149 617
Potatoes	**10 477 372**	10 683 529
Raisins	**26 429 750**	20 233 199
Enterprise Development	**1 306 046**	1 086 235
Mechanisation	**5 922 034**	-
	89 898 102	74 152 580
Less: Impairment provision	**(15 533 424)**	(14 264 572)
	74 364 678	59 888 008
Net loans and advances at amortised cost		
Non-current assets	**23 538 027**	16 018 067
Current assets	**50 826 651**	43 869 941
	74 364 678	59 888 008

The loans and advances in the Trust portfolio are non derivative financial assets with fixed or determinable payments that are not quoted in an active market. The Trust is a development fund and the loans and advances are provided to farmers and enterprises at terms that are below commercial market rates (generally at prime rate less two percent). Credit risk is measured in consideration with developmental impact as part of granting loans. Loans are classified as current assets, except for maturities greater than 12 months after reporting date. Loans (where applicable) are secured by cession of produce income and insurance proceeds.

The loans relating to the Grains and Potatoes clients are for production inputs. Raisins related loans are for working capital, biological assets, machinery and equipment, and building and infrastructure costs. The loan relating to the Enterprise Development is for the acquisition of furniture and fittings, equipment and vehicles. Mechanisation loans are for equipment to support Grain and Potato related crop production.

Enterpriseroom (Pty) Ltd, a registered credit provider, on lends funds received from the Trust in terms of a back-to-back financing arrangement, to various farmers, small and medium enterprises. The Trust is not a party to the loan agreements signed between Enterpriseroom (Pty) Ltd and the various farmers, small and medium enterprises. The ultimate beneficiaries of this funding comprise thirty grain farming enterprises, eight potato farming enterprises, fifty raisins producing clients, two mechanisation clients and one enterprise development client as at 28 February 2025.

The impairments were raised due to a number of factors including poor crop performance due to adverse weather conditions and loan restructuring due to inability to fully repay facilities.

The Grain portfolio has a loan term of up to 12 months with capital and interest due at the end of the loan term. The Potato portfolio has a loan term of up to 12 months with capital and interest due at the end of the loan term. The Raisin portfolio has a loan term of up to 96 months with interest due monthly or annually and capital repayments commencing in month 37. A portion of the Raisins loans are interest free. Enterprise development loan terms differ from transaction to transaction Mechanisation loans have loan terms ranging from 36 to 60 months, with repayments due on an annual basis.

3. Trade and other receivables

Figures in Rand	2025	2024
Other	**76 491**	1 000
Prepayments	**11 300**	-
Deposits	**-**	3 012 937
VAT	**1 998 675**	845 287
Receivable from loan administrator*	**299 041**	2 626 000
	2 385 507	6 485 224

The deposit related to deposit funds paid to a supplier to procure equipment relating to a pending Enterprise Development transaction.

** The Lender extended funding to the loan administrator for disbursement to borrowers. Due to pending fulfilment of conditions precedent relating to the transactions the funds were not yet disbursed to the borrowers at year end in 2024. 2025 balance relates to funds repaid by client but remitted to Trust in March 2025 coupled with deposits paid by entrepreneurs for Enterprise Development transaction.*

4. Cash and cash equivalents

Cash and cash equivalents consist of:

Figures in Rand	2025	2024
Standard Bank - Business current account	**2 087 592**	1 971 389
Standard Bank - Moneymarket Call account	**83 238 428**	79 936 237
	85 326 020	81 907 626

Cash and cash equivalents comprise deposits held in a current and a call account with Standard Bank South Africa and are available on demand. Cash and cash equivalents are carried at amortised cost in the statement of financial position. Cash and cash equivalents are all current assets.

5. Deferred tax

Figures in Rand	2025	2024
Deferred tax liability	**(5 085)**	–
Deferred tax asset	**442 774**	130 577
Total net deferred tax asset	**437 689**	130 577

The major components of the deferred tax balance are as follows:

Deferred tax liability

Arising as a result of temporary differences on:		
Prepayments	**(5 085)**	–

Deferred tax asset

Arising as a result of temporary differences on:		
Property, plant and equipment	**279 575**	-
Provisions	**163 199**	130 577
Total deferred tax asset	**442 774**	130 577
Reconciliation of deferred tax asset		
At beginning of year	130 577	193 300
Recognised in surplus or deficit:		
Property, plant and equipment	279 575	-
Prepayments	(5 085)	-
Provisions	32 622	(62 723)
At end of year	307 112	(62 723)
	437 689	130 577

6. Trust capital

Figures in Rand	2025	2024
Trust capital		
Balance for the year	**1 000**	1 000

7. Trade and other payables

Figures in Rand	2025	2024
Trade payables	**2 495 290**	1 176 893
Deposits received	**219 000**	-
	2 714 290	1 176 893

8. Provisions

Figures in Rand	2025	2024
Employees leave	**362 664**	290 172
Balance for the year	**362 664**	290 172

9. Revenue

Figures in Rand	2025	2024
Interest income: loans and advances	**5 627 640**	3 437 549
Grant income: Support, training and operational income	**7 500 000**	2 500 000
Grant income: Impact fund income	**30 000 000**	100 000 000
Grant income: Fundraising	**-**	2 992 638
	43 127 640	108 930 187

Grant income for Impact Fund activities and for Support, training and operational requirements are received as contributions made by the Founder Group (collectively, the Pioneer Food Group Proprietary Limited, Simba and any of their direct or indirect subsidiaries, with PepsiCo as the Controlling shareholder). Grant income received from Fundraising activities was received from PepsiCo Foundation (2024).

10. Operating surplus

Operating surplus is stated after the following material expenses:

Figures in Rand	2025	2024
BDSP fees and Business Support	**5 269 948**	2 617 591
Employee costs	**6 853 793**	5 592 862
Grant funding disbursements	**-**	107 464
Loan administration fees	**1 437 056**	932 104
Consulting costs	**1 776 883**	434 002
Impairment loss	**10 579 661**	11 185 995
	25 917 341	20 870 018

11. Investment income

Figures in Rand	2025	
Bank	**6 302 191**	7 301 133

Notes to the Annual Financial Statements *continued*

12. Finance costs

Figures in Rand	2025	2024
SARS interest expense	**137**	149
Other	**-**	832
	137	981

13. Taxation

Figures in Rand	2025	2024
Major components of the tax expense		
Current taxation		
South African normal tax - year	**5 751 649**	5 055 199
Deferred taxation		
South African deferred tax - current year	**(307 112)**	62 723
Reconciliation of the tax expense	**5 444 537**	5 117 922
Reconciliation between accounting surplus and tax expense.		
Accounting surplus	**22 901 919**	93 542 737
Tax at the applicable nominal tax rate of 45%	**10 305 864**	42 094 232
Tax effect of adjustments on taxable income		
Exempt income	**(14 903 102)**	(45 389 422)
Non-deductible expenses	**10 348 887**	8 350 389
	(4 554 215)	(37 039 033)
Derecognition of deferred tax assets	**(307 112)**	62 723
	5 444 537	5 117 922

14. Current tax payable

Figures in Rand	2025	2024
Beginning of the period	**2 780 750**	(723 688)
Income tax expense for the period	**(5 751 649)**	(5 055 199)
less provisional tax paid for the period	**6 073 133**	8 559 637
SARS interest income accrued for the period	**87 707**	-
Estimated payable	**3 189 941**	2 780 750

15. Cash generated from operations

Figures in Rand	2025	2024
Surplus before taxation	**22 901 919**	93 542 737
Adjustments for:		
Depreciation	**621 278**	-
Deficit on sale of shares	**42 990**	-
Investment income	**(6 302 191)**	(7 301 133)
Finance costs	**137**	981
Impairment loss/doubtful debts	**10 579 661**	11 185 995
Movements in provisions	**72 492**	(176 884)
Interest income earned not yet received	**(5 627 640)**	(3 437 549)
Bad debts recovered	**(2 436 275)**	(186 028)
SARS interest earned not received	**(87 706)**	-
Changes in working capital:		
Trade and other receivables	**1 479 773**	(6 284 224)
Trade and other payables	**1 537 397**	(15 639 931)
	22 781 835	71 703 964

16. Tax paid

Figures in Rand	2025	2024
Balance at beginning of the year	**2 780 750**	(723 688)
Current tax for the year recognised in loss	**(5 751 649)**	(5 055 199)
SARS interest income earned not received	**87 707**	-
Balance at end of the year	**(3 189 940)**	(2 780 750)
	(6 073 132)	(8 559 637)

17. Grant funding disbursements

Figures in Rand	2025	2024
Grant funding disbursed:		
Raisins	–	107 464

Grant funding disbursements is assistance by the Trust in the form of a transfer of resources to an entity in return for past or future compliance with certain conditions relating to the operating activities of the Trust. Grant funding is recognised in profit and loss when it is probable that future economic benefit will flow from the Trust and the cost can be measured reliably.

18. Business development and support

Figures in Rand	2025	2024
Business Development Service Providers fees	**4 144 571**	2 617 591
Business Support fees	**1 125 377**	37 503
	5 269 948	2 655 094

The Trust is supported by service providers who fulfil technical, operational and business support services. They are collectively referred to as Business Development Service Providers (BDSPs) and Business Support Service Providers (BSSPs). BDSPs serve a critical role in managing/mitigating the Trust's risk on the ground. BSSPs assist our clients with business coaching and financial reporting mentorship. BDSP and BSSP fees are recognised on an accrual basis and are recognised in profit and loss when it is probable that future economic benefit will flow from the Trust and the cost can be measured reliably

Notes to the Annual Financial Statements *continued*

19. Property, plant and equipment

Figures in Rand	2025			2024		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Vending Machines	5 047 891	(621 278)	4 426 613	–	–	–

Reconciliation of property, plant and equipment - 2025

	Opening balance	Additions	Depreciation	Closing balance
Vending Machines	–	5 047 891	(621 278)	4 426 613

20. Investment in subsidiary

Figures in Rand	% holding 2025	% holding 2024	Carrying amount 2025	Carrying amount 2024
Name of subsidiary				
Kgodiso Development Fund (Pty) Ltd	100.00 %	–	**1**	–

The investment is accounted for at cost. Kgodiso Development Fund (Pty) Ltd (currently dormant) will serve as a development fund for investment programmes in South Africa with respect to agricultural and enterprise development.

21. Loan to (from) group company

Figures in Rand	2025	2024
Kgodiso Development Fund (Pty) Ltd	**1 999**	–

The loan above is unsecured, non - interest bearing and no fixed terms of repayment have been determined.

22. Other income

Figures in Rand	2025	2024
SARS penalties reversed	**599 766**	679 354
Bad and doubtful debts recovered	**2 518 238**	186 028
SARS interest income	**87 707**	12 381
	3 205 711	877 763

23. Depreciation and impairment loss

The following items are included within depreciation and impairment loss:

Figures in Rand	2025	2024
Depreciation		
Property, plant and equipment	**621 278**	-
Impairment loss		
Loans and advances	**10 579 661**	11 185 995
Total depreciation and impairment loss		
Depreciation	**621 278**	-
Impairment loss	**10 579 661**	11 185 995
	11 200 939	11 185 995

24. Commitments

Items are classified as commitments where the Trust has committed itself to future transactions. As at year end, the Trust had received R30 000 000 in revenue as Impact fund income (grant income) that it is committed to disbursing as loan and impact funding.

25. Related parties

Relationships

Subsidiaries	Refer to note 20
Provides key management personnel services	Pioneer Food Group
Subsidiary of the entity providing key management personnel services	Pioneer Foods (Pty) Ltd
	Pioneer Foods Groceries (Pty) Ltd
	Simba (Pty) Ltd
	Pepsico South Africa (Pty) Ltd
Members of key management	Christo Owen Van Der Rheede
	Diale Victor Tilo
	Felix Lombard (Resigned 31 December 2024)
	Nicodemus Machete Moloto
	Nonie Moliehi Malehloa Mokose
	Odette Hartfslief
	Setlakalane Alfred Molepo
	Patrick Richard De Wet (Appointed 31 December 2024)

The PepsiCo Group is an entity related to the Trust as it provides key management personnel services (in the form of Trustees) to the Trust. The Trustees ultimately have the decision-making powers under the Trust Deed. As per the Trust Deed, PepsiCo has the right to appoint three Trustees (and their replacements from time to time) in its sole discretion (a right it has for the duration of the Trust Deed).

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity. The Key management personnel in the Trust are the appointed Trustees and the Executive Director.

Related party transactions

Figures in Rand	**2025**	2024
Grant income including VAT		679 354
Pepsico South Africa (Pty) Ltd	**12 500 000**	186 028
Simba (Pty) Ltd	**-**	
Pioneer Foods Groceries (Pty) Ltd	**12 500 000**	
Pioneer Foods (Pty) Ltd	**12 500 000**	
Loan to group company		
Kgodiso Development Fund (Pty) Ltd	**1 999**	

26. Transactions with Key Management

Figures in Rand	**2025**	2024
Key management remuneration	**3 100 609**	3 139 280

Notes to the Annual Financial Statements *continued*

27. Going concern

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

The Trustees believe that the Trust has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The trustees have satisfied themselves that the Trust is in a sound financial position and that it has access to sufficient cash facilities to meet its foreseeable cash requirements. The decision of the Trustees to conduct the operational affairs of the Trust in a new company will not adversely affect the going concern of the Trust as the Trust will be the sole shareholder of the company. The Trustees are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the Trust.

28. Events after the reporting period

During the 2024 financial year the Trustees were investigating conducting the operating activities of the Trust in privately incorporated entity with the existing Trustees acting as directors of the company. The Trust would remain in place as the sole shareholder of the company. This operating structure is in effect and the operations commenced on the 01st March 2025 in the company.

On 27 February 2025, the International Accounting Standards Board (IASB) issued the third edition of the IFRS for SMEs Accounting Standard. The revised standard is effective for annual reporting periods beginning on or after 01 January 2027 with early adoption permissible. No early adoption decision has been made as at the date of approval of these financial statements.

29. Loan receivable

Figures in Rand	**2025**	2024
Debt instruments at cost		
Convertible debt	**-**	4 530 000

The loan described above was unsecured, non-interest bearing, and had no fixed repayment terms and had the option of being converted to equity. It was converted into an equity instrument during the 2025 financial year upon the initiation of the Equity Financing Round.

30. Investment in shares held at cost

Figures in Rand	**% holding 2025**	**% holding 2024**	**2025**	2024
Unlisted Equity Instruments at cost				
Khula App (Pty) Ltd - Class B shares	- %	4.53 %	**-**	42 991
Khula App (Pty) Ltd - Ordinary shares	4.65 %	4.53 %	**4 575 009**	4 575 009
Khula App (Pty) Ltd - Class A shares	5.39 %	- %	**4 700 000**	-
			9 275 009	4 618 000

31. Financial assets

Figures in Rand	**2025**	2024
Cash and cash equivalents	**85 326 020**	81 907 626
Loan to group company	**1 999**	-
Loans and advances	**74 357 296**	59 888 007
Trade and other receivables	**2 385 506**	6 485 224
	162 070 821	148 280 857

32. Financial liabilities

Figures in Rand	**2025**	2024
Trade and other payables	**2 714 290**	1 176 893

Detailed Income Statement

Figures in Rand	Notes	2025	2024
Revenue	9	**43 127 640**	108 930 187
Other income			
SARS penalties reversed		**599 766**	679 354
Bad & doubtful debts recovered		**2 518 238**	186 028
SARS interest income		**87 707**	12 381
		3 205 711	877 763
Operating expenses			
Accounting and payroll fees		**(447 125)**	(301 110)
Auditors remuneration		**(220 000)**	(145 000)
BDSP fees and Business Support	18	**(5 269 948)**	(2 655 094)
Bad debts written off		**-**	(81 962)
Bank charges		**(8 868)**	(7 356)
Computer expenses		**(5 418)**	-
Consulting fees		**(1 776 883)**	(434 002)
Depreciation and impairment loss	23	**(11 200 939)**	(11 185 995)
Employee costs		**(6 853 793)**	(5 592 862)
Grant funding disbursements: Model Farming	17	**-**	(107 464)
Legal expenses		**(543 034)**	(678 136)
Loan administration fees		**(1 437 056)**	(932 104)
Loss on sale of shares		**(42 990)**	-
Printing and stationery		**(780)**	(1 434)
Secretarial fees		**(177 100)**	(2 645)
Small assets		**(11 698)**	(6 098)
Sponsorship and advertising		**(326 881)**	(200 936)
Subscriptions		**(1 981)**	(626)
Training		**(93 352)**	(57 574)
Travel and entertainment		**(561 980)**	(285 686)
Trustee's remuneration		**(753 664)**	(889 280)
		(29 733 486)	(23 565 364)
Operating surplus	10	**16 599 865**	86 242 586
Investment income	11	**6 302 191**	7 301 133
Finance costs	12	**(137)**	(981)
		6 302 054	7 300 152
Surplus before taxation		**22 901 919**	93 542 738
Taxation	13	**(5 444 537)**	(5 117 922)
Surplus for the year		**17 457 382**	88 424 816

The supplementary information presented does not form part of the annual financial statements and is unaudited.

Abbreviations and acronyms

Agriculture, Development & Education

AgriSETA	Agricultural Sector Education and Training Authority
BDSP / BDSPs	Business Development Service Provider(s)
FMCG	Fast-Moving Consumer Goods
NQF	National Qualifications Framework
R&D	Research & Development
SMME / SMMEs	Small, Medium and Micro Enterprises
STEM	Science, Technology, Engineering and Mathematics
TPFA	Third Party Fund Administration
VAMF	Vine Academy and Model Farm

Institutions, Organisations & Government

CUT	Central University of Technology (Free State)
DTIC / the dtic	Department of Trade, Industry and Competition
IDC	Industrial Development Corporation
KDF	Kgodiso Development Fund
MBBA	Mzansi Black Business Accelerator
NAMC	National Agricultural Marketing Council
NEF	National Empowerment Fund
NWU	North West University
PepsiCo SA	PepsiCo South Africa
PFECT	Pioneer Foods Education and Community Trust
PIDT	Potato Industry Development Trust
PSA	Potatoes South Africa
SEFA	Small Enterprise Finance Agency
SME	Small and Medium Enterprise
TUT	Tshwane University of Technology
UFS	University of the Free State
UP	University of Pretoria
US	University of Stellenbosch
UWC	University of the Western Cape
WITS	University of the Witwatersrand

Finance, Investment & Reporting

BSC	Balanced Scorecard
CIPC	Companies and Intellectual Property Commission
GDP	Gross Domestic Product
M&E	Monitoring & Evaluation (implied through evaluation frameworks)
MT	Metric Ton (1 MT = 1000 kilograms)
NCR	National Credit Regulator
NPL / NPLs	Non-Performing Loan(s)
ROI	Return on Investment
SARS	South African Revenue Service
TPFA	Third Party Fund Administration

Administration

Trustees

Bankers

Standard Bank

Auditors

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