NCT FORESTRY AGRICULTURAL CO-OPERATIVE LIMITED

Reg. No. 1949/000002/24

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24th June 2026

Dear Member

NCT AND GROUP FINANCIAL RESULTS: FEBRUARY 2026

Please find enclosed the 2026 Balance Sheet and Income Statement for the Group and Co-operative. These are the same statements that will be included in the Annual Report which will be made available electronically in July 2026.

The 2026 financial year has been one marked by notable currency movements, as the exchange rate strengthened to levels last seen in 2022 after record highs early in the year. Volumes almost reached our optimal level of 2 million tonnes, enabling us to once again exceed R3 billion in revenue. This translated into profit before tax of R37,5 million for the Co-op and a loss before tax of R43,7 million for the Group after elimination of group dividends.

Contributors to these results include:

- Turnover of R3,4 billion for both the Group and Co-operative
- Final insurance proceeds relating to the 2023 fire of R40,5 million
- Exchange rate gains of R29,9 million
- Farm profits of R28,4 million before unfavourable plantation adjustments of R134,6 million

As we work together to succeed in the year ahead, I thank you for your continued support and look forward to engaging with you at our AGM in July.

Yours faithfully

KERRY MOFFETT CA(SA)
CHIEF FINANCIAL OFFICER

District offices

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NCT Forestry Agricultural Co-operative Limited and its subsidiaries

(Registration number: 1949/000002/24)
Consolidated and Separate Annual Financial Statements for the year ended 28 February 2026

Statement of Financial Position as at 28 February 2026

	Group		Co-operative	
	2026 R '000	2025 R '000	2026 R '000	2025 R '000
Assets				
Non-Current Assets				
Property, plant and equipment	1,042,365	854,152	765,829	602,298
Biological assets at fair value	830,172	964,792	548,542	634,213
Investments in subsidiaries	-	-	46,283	81,723
Other investments held at cost	14,420	14,420	14,420	14,420
Loans to group companies	-	-	-	1,979
	1,886,957	**1,833,364**	**1,375,074**	**1,334,633**
Current Assets				
Inventories	288,263	424,186	279,709	416,663
Trade and other receivables	268,255	193,989	250,706	171,920
Current tax receivable	11,424	3,286	7,474	-
Cash and cash equivalents	365,677	433,314	361,433	429,638
	933,619	**1,054,775**	**899,322**	**1,018,221**
Total Assets	**2,820,576**	**2,888,139**	**2,274,396**	**2,352,854**
Equity and Liabilities				
Members' contributions	286	307	286	307
Indivisible reserve	15,233	14,207	15,233	14,207
Retained income	2,112,082	2,145,676	1,543,708	1,508,796
	2,127,601	**2,160,190**	**1,559,227**	**1,523,310**
Liabilities				
Non-Current Liabilities				
Retirement benefit obligation	26,399	20,103	25,920	19,665
Deferred tax	253,704	280,396	174,487	187,287
Finance lease liability	-	4,513	-	-
Interest bearing borrowings	78,187	90,223	78,187	90,223
	358,290	**395,235**	**278,594**	**297,175**
Current Liabilities				
Loans from group companies	-	-	118,913	223,629
Current tax payable	-	9,379	-	7,902
Finance lease liability	-	1,055	-	-
Interest bearing borrowings	10,247	20,444	10,247	20,444
Provisions	19,870	19,610	17,479	17,190
Trade and other payables	304,568	282,226	289,936	263,204
	334,685	**332,714**	**436,575**	**532,369**
Total Liabilities	**692,975**	**727,949**	**715,169**	**829,544**
Total Equity and Liabilities	**2,820,576**	**2,888,139**	**2,274,396**	**2,352,854**

Statement of Comprehensive Income

	Notes	Group 2026 R '000	Group 2025 R '000	Co-operative 2026 R '000	Co-operative 2025 R '000
Revenue		3,366,159	1,865,539	3,364,021	1,864,217
Cost of sales		(3,033,696)	(1,644,003)	(3,058,713)	(1,671,495)
Gross profit		**332,463**	**221,536**	**305,308**	**192,722**
Other income	1	18,980	34,752	16,109	18,445
Operating expenses	2	(358,592)	(395,558)	(313,441)	(309,740)
Foreign exchange gains		29,866	12,822	29,866	12,815
Insurance proceeds		40,522	397,170	33,497	280,715
Impairment of investment		-	-	(33,820)	-
Fair value losses on biological assets		(134,620)	(121,035)	(85,670)	(71,815)
Operating (loss) profit		**(71,381)**	**149,687**	**(48,151)**	**123,142**
Investment revenue		36,944	40,689	104,889	40,352
Finance costs		(9,294)	(9,778)	(19,222)	(23,135)
(Loss) profit before taxation		**(43,731)**	**180,598**	**37,516**	**140,359**
Taxation		11,137	(48,066)	(1,604)	(37,774)
Total comprehensive (loss) income for the year		**(32,594)**	**132,532**	**35,912**	**102,585**

Notes:

1. Other income

Other income includes the following income:

Administration, consulting and rental	2,491	2,438	3,670	3,446
Contracting	5,136	3,592	2,991	4,878
Loading operations	5,027	4,503	5,032	4,810
Profit on disposal of assets	59	16,249	-	-

2. Operating expenses

Operating expenses include the following expenses:

Auditor's remuneration	1,046	1,117	535	503
Contract chipping	10,196	22,262	187,004	121,005
Depreciation	52,808	42,826	26,654	21,333
Directors remuneration - allowances	520	551	520	551
Directors remuneration - fees	1,071	1,044	1,071	1,044
Impairment on investment in subsidiary	-	-	33,820	-
Insurance	42,760	32,508	18,271	11,974
Repairs and maintenance	52,911	47,271	26,185	28,909
Utilities	49,967	30,911	15,940	9,637
Legal and professional fees	5,130	2,919	4,531	1,910
Loss on disposal of assets	1,874	3,245	46	875
Salary and wage costs	255,864	239,647	206,500	192,949

3. Comparative figures

Certain comparative figures have been reclassified. These relate to the co-operatives depot operations which have previously been shown as a single net expense line. We believe it is more accurate to show the timber purchases and sales portion of the depot operations along with the main timber purchases and sales of the co-operative.

The effects of the reclassification are as follows:

Cost of sales increase / operating expense decrease	-	3,642	-	3,642