

Integrated Annual Report

2025/26



RESEARCH & DEVELOPMENT



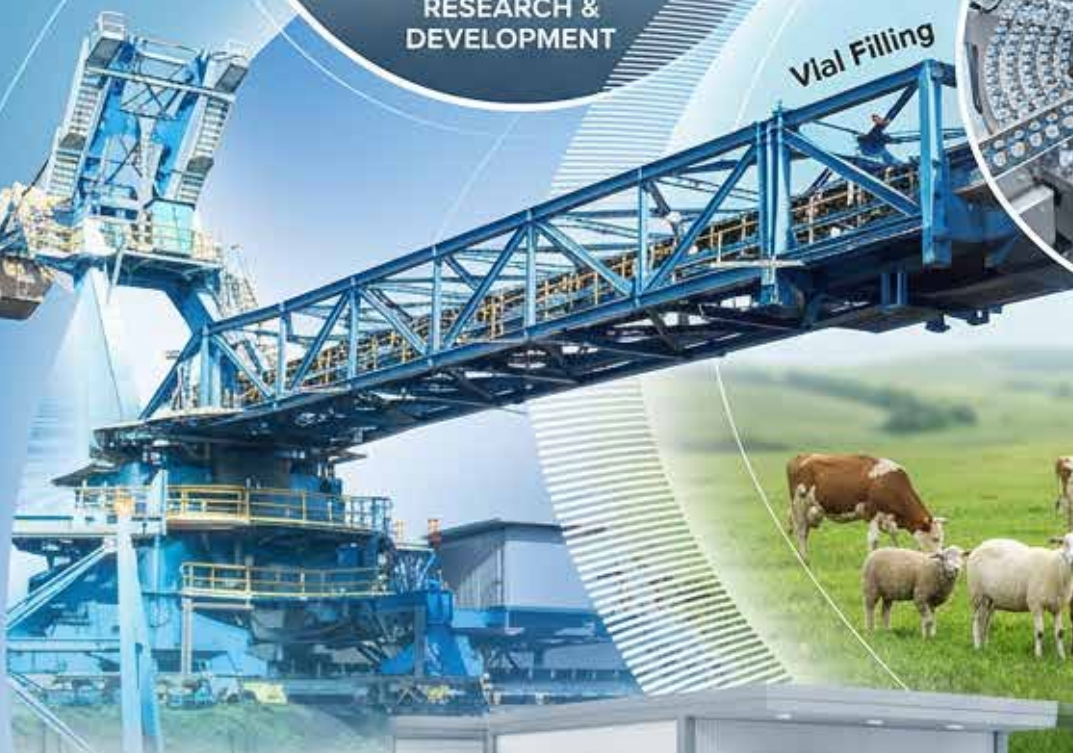
SCALE-UP & BIOPROCESSING



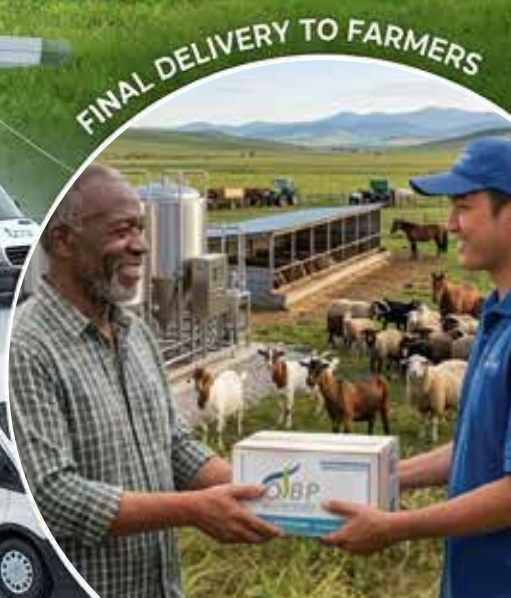
Vial Filling

QC Inspection

Capping & Labeling



AUTOMATED PACKAGING



FINAL DELIVERY TO FARMERS

INNOVATIVE



BIO-SCIENCE





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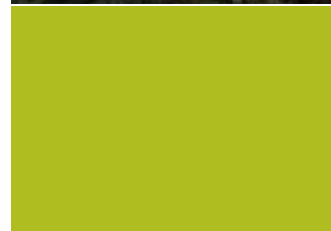
Onderstepoort Biological Products SOC Ltd **2025/26**

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Onderstepoort Biological Products SOC Ltd **2025/26**

SCOPE AND BOUNDARY OF REPORT

This Integrated Annual Report (IAR), compiled by Onderstepoort Biological Products SOC Ltd (OBP), covers the period 01 April 2025 to 31 March 2026, and provides an account of the OBP's governance practices, stakeholder engagement, financial and non-financial performance, and sustainability. It addresses the six capitals of integrated reporting – financial, manufacturing, intellectual, human, natural, and social/relationship, and discusses material risks and opportunities affecting the OBP's long-term success. The organisation's approach to the management of the 6 capitals is captured in the report that can be found on page 16 to 19 of this IAR.

The consolidation of the report is guided by a blend of global frameworks, national corporate governance codes, and local regulatory requirements. The Annual Financial Statements are prepared in accordance with IFRS, the PFMA, the Companies Act, and applicable Treasury requirements.

Both financial and non-financial data are aligned to the specified financial reporting period, allowing for comparison of performance data, including any material matters, be it opportunities or risks, which may impact the OBP's stakeholders. The summarised consolidated financial results published, including the audited annual financial statements, are made available on the OBP's website at www.obpvaccines.co.za.

APPROVAL

In accordance with King V, the Board has delegated the responsibility of evaluating sustainability disclosure to the Audit, Risk & Information Technology Committee (ARIT).

Upon recommendation of the Audit, Risk and Information Technology Committee (ARIT Committee), the Board has collectively considered preparation and presentation of the report. The matters presented in the IAR are materially presented in line with the Integrated Reporting Framework, governed by the IFRS Foundation.

FUTURE-OUTLOOK

This report may contain forward-looking statements about the OBP's performance and prospects. Such statements and forecasts may involve risks and uncertainties, as future events and conditions may differ from the current expectations. Stakeholders are, therefore, cautioned not to place excessive or undue reliance on these statements and projections, and to take cognisance and consideration thereof.

MATERIALITY

The concept of materiality informs the content and relevance of this report. Materiality is defined as information about issues that have a meaningful and considerable impact on our ability to create value over the short, medium, and long term. Our Executive Management and Board have considered the matters that materially impact our performance



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and sustainability, and we have evaluated them in the context of our strategic objectives, stakeholder engagement, and the “six capitals” (page 16-19). We report in detail on material issues in the sections on our programmes, governance, and economic performance.

ENVIRONMENTAL IMPACT

The OBP also considered environmental factors that substantially affect its ability to create value..

COMBINED ASSURANCE

The OBP’s combined assurance model follows the three lines model, distinguishing management, risk and compliance functions, and independent assurance. The Board and the Audit, Risk & IT Committee (ARIT) rely on combined assurance to assess and form a view on the adequacy of the company’s management and internal controls. A combined assurance approach was adopted in preparing this report.

FEEDBACK

The OBP welcomes feedback to ensure that the information that matters to you is included in future Integrated Annual Reports. Go to <http://www.obpvaccines.co.za> or email stakeholder@obpvaccines.co.za for the feedback form.

The Board approved the 2025/26 Integrated Annual Report on 31 August 2026.



Prof. P. Mabeta

Chairperson: OBP Board



Mr. R. Mahabeer

Chairperson: Audit, Risk and Information
Technology Committee



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Onderstepoort Biological Products SOC Ltd **2025/26**

MINISTER'S FOREWORD

The financial year which ended on 31 March 2026 represents an important phase in the strengthening and repositioning of Onderstepoort Biological Products SOC Ltd (OBP) within South Africa's animal health system. The progress achieved during the year provides a solid foundation from which the organisation will continue to build a more resilient, responsive and sustainable future for animal health, agriculture and food security.

The South African livestock sector forms the strong backbone of the agricultural economy, food security and rural livelihoods. At the same time, the threat posed by Foot and mouth disease (FMD), Rift Valley Fever, Lumpy Skin Disease, and other transboundary animal diseases, affirms the need for a strong, reliable and responsive animal health system. Challenges such as these require continued collaboration for concerted action, efforts for disease preparedness and response and sustained commitment for vaccine production and the supporting infrastructure.

Within such a context, OBP will become more important. With a commitment to become the animal health solutions provider of choice, OBP will continue to develop, manufacture, source and supply quality, affordable, value-adding animal health solutions. Beyond the supply of vaccines, OBP will strengthen to strengthen national biosecurity and protect the livestock value chains and support farmers, as well as build the resilience of farm-dependent communities.

The 2025/26 report reflects that OBP has made incredible progress along this journey. The financial turnaround for the year is a great achievement. During the next reporting period, OBP can expect to advance these newly gained achievements.

Financial recovery must be sustained and focused on achieving long-term sustainability through the discipline of cost management, improved commercialisation and the expansion of local and international markets. Continued progress in certain areas will strengthen OBP's competitiveness and broaden the reach of South African animal health solutions.

Enhancing OBP's manufacturing capacity will be another top priority, along with speeding up the Good Manufacturing Practice (GMP) project. Investing in infrastructure will permit OBP to raise its manufacturing

standards, facilitate product registrations, and enable OBP to better compete for business within both domestic and international markets.

The future success of the organisation will depend on its people and governance. The organisation has a strong foundation for staff development and positive staff relations. Additionally, the organisation has started the process of reviewing policies and improving the governance framework. OBP will have to continue to invest in staff while improving accountability, strengthening institutional controls and risk-based management. An ethical culture and achieving milestones will help sustain the organisation through its recovery.

In the years to come, there will have to be greater collaboration. The challenges affecting the South African livestock sector cannot be resolved through one entity. OBP will have to improve its collaborative efforts with Government, farmers, industry associations, research institutes, regulators, development partners and all other key stakeholders. These collaborations will build the capacity for disease preparedness and improve innovation and market access for South Africa, while ensuring that the country is prepared to manage future threats to the health of animals.

As Government focuses more on strengthening the agricultural sector of South Africa, especially resilience and food security, OBP will have an important role to play. This role is in protecting livestock, supporting farmers, and maintaining a productive value chain that protects the livelihoods of all communities.

The 2025/26 financial year therefore represents a platform for the next phase of OBP's development. The organisation now has an opportunity to consolidate its financial recovery, modernise its infrastructure, strengthen its manufacturing standards, improve product availability, deepen customer confidence, and expand its contribution to the national and international animal health markets.

I commend the board, management and employees of OBP for the progress achieved during the reporting period and for their continued commitment to the organisation's mandate. I also acknowledge the contribution of farmers, industry partners, regulators and other stakeholders whose cooperation remains essential to the success of the animal health system.

As OBP moves forward, the expectation is clear – to build on the accomplishments of the 2025/26 financial year and translate them into sustained operational excellence, financial sustainability and greater impact. Government remains committed to supporting the organisation in fulfilling its role as a strategic national asset & in contributing to a resilient livestock sector, strengthened national biosecurity and a food-secure South Africa.

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Onderstepoort Biological Products SOC Ltd **2025/26**

STRATEGIC DIMENSIONS

The Onderstepoort Biological Products SOC Ltd (OBP) was established in 2000, in terms of the Onderstepoort Biological Products Incorporation Act 1999. Its primary objective is to create a favourable environment for building manufacturing capacity, development of new products, and improving infrastructure towards ensuring the organisation's sustainability and profitability.

Our Vision

"To be the first choice in animal health solutions."

Our Mission

"To develop, manufacture, source, and supply cost-effective innovative animal health solutions to our customers."

Our Mandate

The Onderstepoort Biological Products SOC Ltd is a South African state-owned animal vaccine manufacturing organisation whose primary mandate is to manufacture, source and supply animal vaccines to prevent and control animal diseases that impact food security, human health, and livelihoods. The mandate is delivered through the continued development of innovative products and efficient manufacturing, which ensures vaccine affordability and accessibility through varied distribution channels.

As a National Key Point (NKP) utility, the OBP is expected to provide security and availability of vaccines and related solutions to prevent, control, and manage animal diseases in the context of South Africa's food security needs, whilst being a sustainable, profitable enterprise.

As a Schedule 3B public entity, the entity has 2 policy mandate roles, namely:

Public Good: ensuring that the government's objectives for food security and safety are met through the development, security, and availability of critical vaccines reserves; and

Private Good: the ability of the entity to manufacture, distribute, and sell vaccines on a commercial basis to generate financial returns.

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ONE OBP STRATEGY



OUR PURPOSE

To provide innovative and disruptive solutions for animal health



OUR VISION

To be the first choice in animal health solutions



OUR MISSION

To develop, manufacture, source, and supply cost-effective innovative animal health solutions to our customers

3X

SET OF VALUES

P R I D E

R E S P E C T

I N T E G R I T Y

D E D I C A T I O N

GOAL 3-5-1

Triple (3X) EBITDA in 5 years by being:

- A great place to work at
- Providing exceptional customer service
- Delivering leading “return on investment”

CURRENT RISKS

- Insufficient Research and Development Output
- Loss of Intellectual Property (registered and unregistered)
- Non-compliance with local and international standards & regulatory requirements
- Ineffective execution of strategic initiatives
- Inefficient business processes
- Product unavailability as National Key Point

SOCIETAL

ANIMAL
HEALTH

SKILLS
DEVELOP-
MENT

01



**Smart digital
solutions for
Animal Health**

02



**Develop and
Produce Biological
Solutions**

03



**Managed
Distribution
Services**

OUR BUSINESS MODEL

The entity's business model is to develop and produce biological solutions, smart digital solutions for animal health and managed distribution solutions, which in essence, enable the entity to achieve its primary mandate of preventing and controlling animal disease which impacts food security, human health and livelihoods.

SET OF OUTCOMES

- Capable, ethical and developmental organisation
- Sustainable Financial Growth
- Improved customer services
- Improved product availability
- Improved infrastructure and facilities

**ECONOMIC
TRANS-
FORMATION**

**FOOD
SECURITY**

IMPACT

CURRENT RISKS

- Inadequate safeguarding of OBP
- Inadequate business continuity management capabilities
- Inadequate sustainability management (environmental, social) & governance
- Absence of comprehensive HR strategy
- Inefficient customer management
- Litigation exposure

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MANAGING THE 6 CAPITALS

TO DELIVER VALUE

OBP business model centres on the creation and production of biological solutions for animal health and managed distribution solutions. Long-term value creation is dependent on the effective management and success of all six capitals. The OBP continuously evaluates the interrelationships and linkages between these six capitals and its operations, using insights to inform and drive strategic decision-making.

This integrated approach ensures that financial, manufacturing, intellectual, human, social, and natural capitals are leveraged responsibly to sustain value creation while preventing value degradation.

FINANCIAL CAPITAL

The OBP defines its financial capital as the funds available for deployment into existing business and new business opportunities. The OBP reinvests its financial

capital to expand its organisational portfolios through organic opportunities. To contain costs, OBP has implemented financial efficiency measures that, include, among others, cost containment, strategic sourcing, and price negotiations with suppliers.

To maintain a healthy balance sheet, the OBP monitors its key financial ratios of liquidity, solvency, and other key ratios indicating its financial health and sustainability. Cash in financial institutions is invested at rates that ensure an attractive return on investment while ensuring funds are liquid and accessible.

The OBP's operational funding is derived from being a self-sufficient organisation that is reliant on its revenue for sustainability. The OBP's financial capital comprises:

- healthy balance sheet for new investments;
- free cash flow; and
- retained earnings for reinvestment.

MANUFACTURING CAPITAL



The OBP acquired new manufacturing equipment to continuously assess new systems and technologies for potential applications to improve operational efficiencies in line with the latest technological advancements and its strategic investment plan.

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INTELLECTUAL CAPITAL



OBP strives to improve its competitiveness through investment in its intellectual capital in the form of appropriate skills, systems, knowledge, and strategic partnerships. The intellectual property of the OBP includes the following:

- Research and Development Capabilities,
- The OBP Brand and Products,
- Applicable Policies and Standards,
- Extensive experience in leadership roles (Management team and Board),
- Extensive Intellectual Capital in Frontline Operators, and
- Information Technology and Communication Systems.

HUMAN CAPITAL



As at 31 March 2026, the OBP employed one hundred and eighty-six (186) staff members, comprising a skilled, competent, and experienced workforce that supports the organisation's strategic and operational objectives. During the current reporting period, the Board has considered and approved the organisational design project, which includes salary benchmarking to retain and attract critical skills and align with market-related trends. This project will commence in the upcoming financial year.

Critical positions are being filled to support the OBP's strategy. Strategic partnerships help to build capacity in the organisation's research and development department. Some positions in other areas were supported through internships, leadership, and post-graduate development programmes.

SOCIAL AND RELATIONSHIP CAPITAL

The OBP participated in the Agriculture and Agro-Processing Master Plan (AAMP) initiated by the government to promote inclusive growth, transformation, and food security. By participating in this Master Plan, the OBP has trained small and emerging farmers on disease awareness and establishing biosecurity at their farms. The organisation donated vaccines to small and emerging farmers through the OBP's corporate social investment.

The OBP also established new distribution networks, mainly in rural areas, to make products easily accessible. In establishing such distribution channels, the entity identified small entrepreneurs, trained them, and offered them products to distribute to rural areas.

NATURAL CAPITAL

The OBP's natural capital consists of land, water, and energy that the organisation uses to produce and deliver its products.

It supports the green economy initiative through good waste management practices, carbon-emissions reduction, and continued wetland preservation.

The OBP prides itself on its ongoing project to power its operations through alternative energy sources.

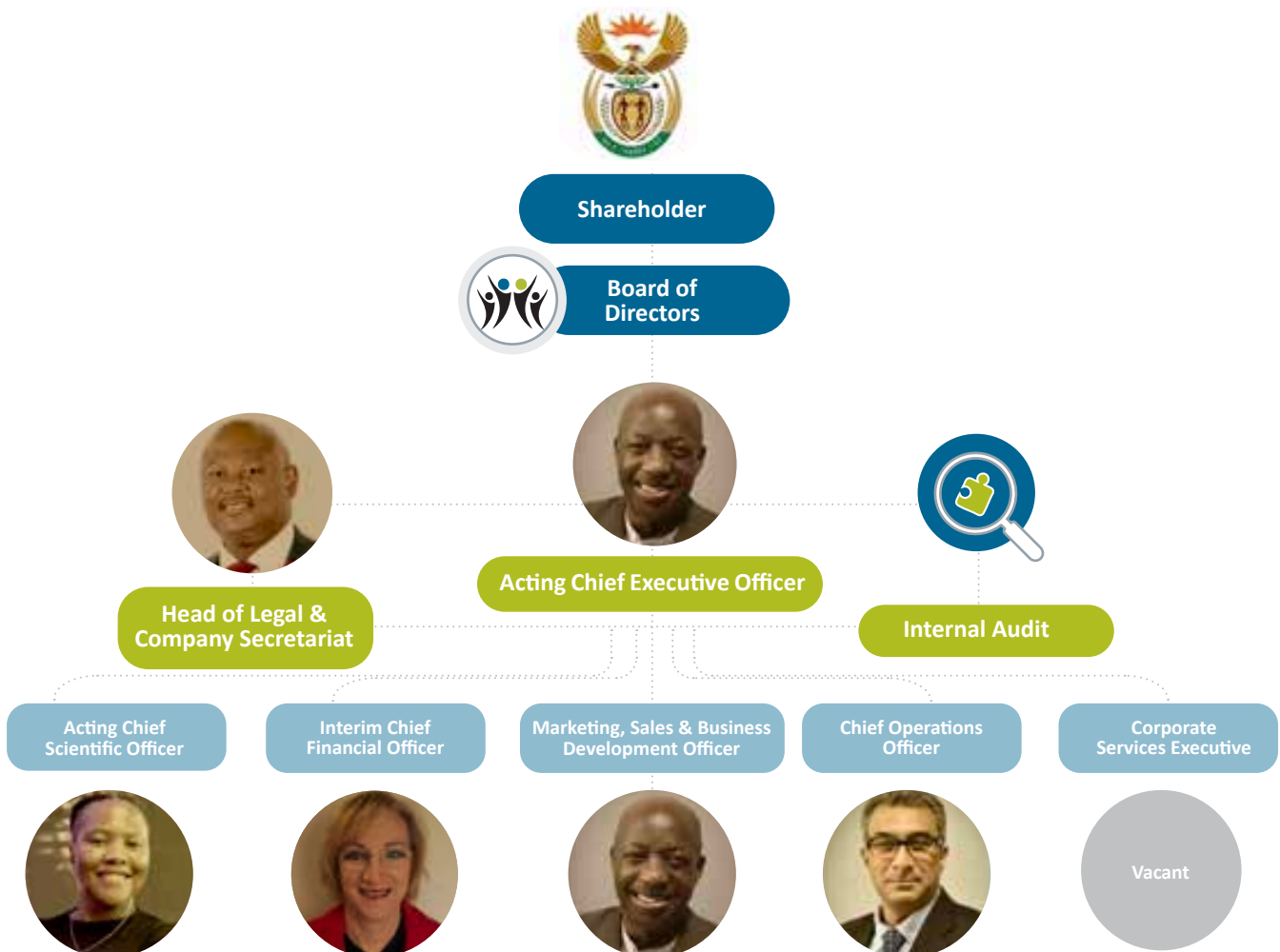


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Onderstepoort Biological Products SOC Ltd **2025/26**

ORGANISATIONAL STRUCTURE

OBP's governance and management structure is designed to support the organisation's strategic objectives. The Board of Directors provides oversight, while an Executive Committee led by the CEO manages day-to-day operations. Key divisions include Production, Research & Development, Sales & Marketing, Finance, and Corporate Services, each headed by an executive who reports to the CEO (as highlighted in the figure below).



Onderstepoort Biological Products SOC Ltd **2025/26**

LETTER TO THE MINISTER OF AGRICULTURE

The Honourable Minister Mr. Willem A. S. Aucamp
Minister of Agriculture
Private Bag X100
Pretoria
0001

Dear Minister,

I have the honour of presenting the Onderstepoort Biological Products SOC Ltd Integrated Annual Report for the financial year 01 April 2025 to 31 March 2026, for tabling in Parliament as required by Section 55 of the Public Finance Management Act 1999 (Act 1 of 1999).

The report outlines the OBP's performance, governance, and financial results for the fiscal year that ended on 31 March 2026. Despite major challenges throughout the year, including disease outbreaks and production constraints, OBP made meaningful progress towards its mandate to support animal health and food security.

Yours faithfully,



Prof. P. Mabeta | Onderstepoort Biological Products SOC Ltd | **Board Chairperson**

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Onderstepoort Biological Products SOC Ltd **2025/26**

CHAIRPERSON'S OVERVIEW

It is my privilege, on behalf of the Board of Onderstepoort Biological Products SOC Ltd (OBP), to present the Integrated Annual Report for the financial year ended 31 March 2026. This report reflects a year of meaningful progress towards restoring OBP's role as a trusted and strategically important contributor to animal health, food security and national biosecurity.

In pursuing the OBP's vision, the organisation continues to focus on developing, manufacturing, sourcing and supplying cost-effective, high-quality, and innovative animal health solutions that support farmers, safeguard livestock, strengthen rural livelihoods, and contribute to South Africa's broader agricultural resilience.

This Integrated Annual Report is structured around five strategic outcomes:

- Capable, Ethical and Developmental Organisation;
- Sustainable Financial Growth;
- Improved Product Availability;
- Improved Customer Service; and
- Improved Infrastructure and Facilities.

These outcomes provide a coherent framework for assessing OBP's performance and for guiding the organisation's priorities over the medium term.

The year under review was marked by both significant achievements and persistent challenges. The OBP operated in an environment shaped by heightened animal disease risks, infrastructure constraints, regulatory demands, market expectations and the continued need to improve product availability. Against this backdrop, the Board is encouraged by the organisation's improved performance and by the commitment demonstrated by Management and employees in stabilising operations and delivering against key priorities.

In the year under review, OBP achieved approximately 72% of its annual performance targets. This result reflects meaningful progress, while also highlighting areas where performance must be strengthened.

Financial performance improved during the period. Revenue increased to R409.4 million, representing an increase of approximately 120% in recognised revenue from the previous year, while the gross margin remained stable at 44.66% compared with 45.1% in 2024/25. This improvement was underpinned by a 23% increase in sales volumes, particularly in local sales. The positive sales trajectory enabled the OBP to record a significant increase in earnings before interest, tax, depreciation and amortisation (EBITDA), improving to R73.1 million from a loss of R27.7 million in the prior year. This turnaround is an important indicator of the organisation's recovery and its potential to achieve sustainable financial growth.

The OBP also continued to fulfill its public good mandate by supporting Government's response to the Onderstepoort Biological Products SOC Ltd Disease outbreak.

This contribution reaffirmed the entity's strategic importance in national disease preparedness and response, as well as its role in protecting livestock value chains and the livelihoods that depend on them. In support of market expansion and commercialisation, the OBP submitted ten product registration dossiers to regulatory authorities during 2025/26. These comprised two submissions in terms of Act 36 and eight submissions to selected international regions. The international submissions were directed to priority markets across East Africa, the Middle East, Central Asia, Western Europe, Southern Africa and Central Europe.

Operationally, the organisation adhered to its production plan as guided by the sales forecast, achieving 91.07% against production targets. The newly installed freeze driers will significantly increase OBP's production capacity and support future improvements in product availability.

While these achievements are notable, the Board remains mindful of areas requiring continued attention. The Good Manufacturing Practice (GMP) roadmap was not achieved during the reporting period. However, decisive steps have been taken to reposition this critical project, including efforts to appoint a specialist advisor and the appointment of a project manager to oversee the restart of the GMP project.

The Board is committed to ensuring that lessons from the year are translated into practical improvements in planning, execution, risk management and accountability.

Good governance remains central to OBP's recovery and long-term sustainability. During the reporting

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period, the organisation reviewed its governance framework and strengthened governance through the development and review of corporate policies. These actions were intended to reinforce ethical leadership, improve institutional controls and support a culture of accountability across the organisation.

Looking ahead, the OBP must build on the positive gains achieved in 2025/26. The priorities include sustaining the financial turnaround, improving product availability, accelerating infrastructure renewal, advancing GMP compliance, strengthening customer service, and expanding access to priority local and international markets. These priorities are essential if the OBP is to meet the expectations of Government, customers, farmers and other stakeholders, while contributing to resilient animal health systems and food security.

As Board Chairperson, I am confident that OBP is on a stronger path. The year ahead will require continued focus, resilience and accountability, but the progress achieved in 2025/26 provides a firm foundation for restoring confidence, improving performance and delivering on OBP's mandate as a strategic national asset.

On behalf of the Board, I extend my appreciation to the Minister and the Department of Agriculture for their continued support and oversight. I also thank our customers, farmers, industry partners, regulators and stakeholders for their confidence in OBP. Most importantly, I acknowledge the dedication of the OBP's employees and Management, whose efforts have made this year's progress possible.



Prof. P. Mabeta | OBP | **Board Chairperson**



2025/26



**Prof. Peaceful
Mabeta**



**Ms. Sinovuyo
Ntiyantiya**



**Dr. Deenadayalen
Konar**



Onderstepoort Biological Products SOC Ltd **2026**

BOARD OF DIRECTORS



**Dr. Natalie
Skeepers**



**Dr. Linda
Makuleni**



**Mr. Rajesh
Mahabeer**



**Mr. Mokutule
Kgobokoe**

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Onderstepoort Biological Products SOC Ltd **2025/26**

CHIEF EXECUTIVE OFFICER'S REPORT

The livestock industry remains a cornerstone of South Africa's agricultural economy, making a significant contribution to the country's gross domestic product (GDP), food security, and rural livelihoods. As the largest commercial livestock sector on the African continent, South Africa is also a leading exporter of livestock and animal products. Beyond its economic contribution, the sector plays a critical role in providing a sustainable source of protein, supporting employment, and strengthening the resilience of farming communities.

The industry has faced persistent challenges stemming from the ongoing occurrence and spread of Foot and Mouth Disease (FMD), as well as outbreaks of other transboundary animal diseases, including Rift Valley Fever and Lumpy Skin Disease. These outbreaks have disrupted livestock production, constrained market access, and adversely affected South Africa's export competitiveness, highlighting the importance of robust animal health systems and effective disease control measures.

Guided by its vision of being the first choice in animal health solutions, OBP has continued to play a pivotal role in addressing these challenges by delivering innovative animal health solutions that strengthen national biosecurity, safeguard food security, and contribute to skills development and economic growth. These efforts were realised through the implementation of the organisation's Annual Performance Plan (APP), which is underpinned by five strategic outcomes: building a capable, ethical, and developmental organisation; achieving sustainable financial growth; improving product availability; enhancing customer service; and modernising infrastructure and facilities in support of national development priorities.

During the year under review, OBP achieved approximately 72% of its annual performance targets. While this performance reflects meaningful progress in advancing the organisation's strategic objectives, it also highlights opportunities for continued improvement to enhance operational effectiveness, service delivery, and long-term organisational sustainability. The figure below illustrates the entity's performance trends over recent years.

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CAPABLE, ETHICAL AND DEVELOPMENTAL ORGANISATION

OBP continued to strengthen its organisational capability by investing in its people and governance systems. Significant progress was made in implementing key strategic initiatives focused on employee development, resulting in improved staff retention, enhanced skills development, and strengthened labour relations. During the reporting period, the organisation also reviewed and updated the majority of its policies and regulatory frameworks to ensure continued compliance with legislative and governance requirements.

SUSTAINABLE FINANCIAL GROWTH

Despite a challenging operating environment, OBP delivered a strong financial performance, achieving 80% of its programme targets. Planned maintenance during Quarter 1 temporarily affected production; however, proactive production planning in the preceding financial year enabled the organisation to build sufficient stock reserves to meet market demand throughout 2025/26. This ensured the uninterrupted availability of critical vaccines, those for African Horse Sickness, Bluetongue, and Rift Valley Fever.

Heightened demand resulting from outbreaks of Lumpy Skin Disease, Rift Valley Fever, and Foot and Mouth Disease contributed positively to sales growth, revenue generation, and EBITDA. The implementation of targeted cost-containment measures further strengthened profitability, while continued expansion into

international markets through the submission of additional product registration dossiers positioned the organisation for future growth.

IMPROVED CUSTOMER SERVICE

OBP's customer-centric strategy continued to deliver measurable improvements in stakeholder satisfaction. The latest customer satisfaction survey recorded an 84% satisfaction rating, representing a six-percentage-point improvement over the previous reporting period and reflecting a significant enhancement in brand perception since 2022.

The organisation successfully resolved all customer complaints within the prescribed timeframes and improved customer access to products through increased direct account registrations by commercial farmers. Additional distribution channels established in rural communities further enhanced product accessibility for emerging farmers and small entrepreneurs. In response to disease outbreaks, OBP also expanded its biosecurity awareness and training initiatives, working closely with both commercial and smallholder farmer associations through sponsorships, partnerships, and industry engagements. These achievements reinforce the organisation's commitment to delivering responsive, customer-focused services and will remain a strategic priority in the year ahead.

IMPROVED PRODUCT AVAILABILITY AND IMPROVED INFRASTRUCTURE AND FACILITIES

OBP successfully executed its production plan in line with forecast demand, achieving above 90% of its production targets and ensuring the reliable supply of products to customers. This performance contributed directly to improved product availability and strengthened service delivery across the agricultural sector.

Progress on the Good Manufacturing Practice (GMP) roadmap was impacted by delays in appointing a specialist advisor. The organisation has prioritised this appointment for the first quarter of the new financial year and remains committed to implementing the approved enterprise architecture plan. Furthermore, the planned commissioning of two new freeze-driers is expected to significantly enhance production capacity, operational efficiency, and long-term manufacturing resilience.



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Onderstepoort Biological Products SOC Ltd

2025/26

CHIEF FINANCIAL OFFICER'S REPORT

INTRODUCTION

OBP's local market share showed positive trends towards the latter part of the reporting period, even though export market share is still declining. Revenue has increased to R409.4 million, which is a approximately 120% in recognised revenue increase from the previous year, whereas the gross margin remained stable at 44.66% (2024/25: 45.1%). The improvement is due to a 23% increase in sales volume. Based on this positive trend on local sales volumes, OBP managed a significant increase in earnings before interest, tax, depreciation and amortisation (EBITDA) to R73.1 million from a loss of R27.7 million in the prior year.

FINANCE

The Finance Department is responsible for OBP's financial management, supply chain management and information technology section within the organisation. In executing its duties, the department strives to ensure effective and efficient financial management and internal controls aligned with the organisation's strategic objectives.

This is done in line with the relevant legislation and standards, inclusive of:

- Public Finance Management Act No. 1 of 1999.
- National Treasury regulations and guidelines.
- Preferential Procurement Policy Framework.
- Income Tax Act 58 of 1962.
- VAT Act 89 of 1991.
- International Financial Reporting Standards.

The Finance department focuses on maintaining and implementing sound financial management processes and internal controls and ensuring compliance with all relevant legislation. Key functions of the department include financial administration, cost and management accounting, treasury management and reporting.

SUPPLY CHAIN MANAGEMENT

Supply Chain Management functions in a public entity such as OBP include demand management, acquisition, logistics, and disposal. The Supply Chain Management Division's main role is to provide an integrated supply chain through effective planning, sourcing, manufacturing and delivery of OBP products, which is underpinned by a strong technology platform. OBP's Supply Chain Management Division is corporately mandated to work closely with other key functions in the company to ensure that these functions are fully supported.

Also key to the procurement function is compliance with relevant Treasury Regulations and the Public Finance Management Act. Through the Supply Chain Management division, OBP ensured compliance with procurement regulations while supporting broad-based black economic empowerment (B-BBEE). For the year under review, 33.6% of the domestic procurement expenditure went to BBBEE-compliant suppliers, all of which were more than 51% black owned. Included was 18.7% of procurement to Black women-owned businesses. However, a substantial portion of total expenditure was from international suppliers, making up 41.3% of total procurement expenditure. This is mainly due to specialised services, equipment, raw materials and products which are only available internationally.

INFORMATION AND COMMUNICATION TECHNOLOGY

This department is responsible for managing IT Operations, providing IT Service Management through ICT support, and ensuring IT Governance through policy, SOPs and related frameworks. In the financial year under review, the OBP developed an Enterprise Architecture Plan for its digital transformation.

PFMA COMPLIANCE REPORTING

Material misstatements of related parties, cash flows statement, taxation and commitments identified by the auditors in the submitted financial statements were corrected, but the uncorrected material misstatements and supporting records that could not be provided resulted in the financial statements receiving a qualified opinion.

As disclosed in the Annual Financial Statements, irregular, fruitless, and wasteful expenditure has increased in the year under review – the root cause is mainly the failure to follow regulated procurement processes. The OBP's SCM function is currently being reviewed to ensure compliance through capacitating the unit. The Procurement Policy was reviewed, and the update was approved by the Accounting Authority in January 2026. Training and roll-out of the Policy has commenced.

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RECONCILIATION OF IRREGULAR EXPENDITURE

DESCRIPTION	2025/26	2024/25
	R'000	R'000
Opening balance	3 590	3 153
Add: Irregular expenditure confirmed	867	437
Less: irregular expenditure condoned		
Closing balance	4 457	3 590

RECONCILING NOTES TO THE AFS DISCLOSURE

DESCRIPTION	2025/26	2024/25
	R'000	R'000
Irregular Expenditure that relates to 2023/24 and identified in 2024/25		1 653
Irregular Expenditure for the current year	867	437
Total	867	437

The amounts disclosed in the current and prior financial years relate to 12 cases of non-compliance with procurement regulations, e.g. deviations not approved prior to expenditure (R1 762 443), error during evaluation (R656 000), overspending without approval (R1 043 741).

The Loss Control Committee concluded its investigations and recommendations on 9 of the cases. Once appropriate evidence of the implementation of the recommendations is obtained, formal application for condonation approval will be submitted.

No irregular expenditure was condoned, removed or recovered during the current or previous financial years.

RECONCILIATION OF FRUITLESS AND WASTEFUL EXPENDITURE

DESCRIPTION	2025/26	2024/25
	R'000	R'000
Opening balance	3 810	8
Add: Fruitless and Wasteful Expenditure confirmed	710	3 802
Less: Fruitless and Wasteful Expenditure written off		
Less: Fruitless and Wasteful Expenditure recoverable		
Closing balance	4 520	3 810

RECONCILING NOTES TO THE AFS DISCLOSURE

DESCRIPTION	2025/26	2024/25
	R'000	R'000
Fruitless and Wasteful Expenditure that relates to 2023/24 and identified in 2024/25		1 653
Fruitless and Wasteful Expenditure for the current year	710	2 149
Total	710	3 802

Fruitless and Wasteful Expenditure relates to contractual payments for standing time which had to be paid to a contractor as a result of the supervising engineers absconding. A civil claim has been instituted against the supervising engineer to recover the expense.

RESULTS FROM OPERATIONS

The organisation's financial performance improved in 2026, from an operational profit expenditure perspective, compared with the prior year, considering revenue and expenditure as depicted in the table below.

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	2026	% Change	2025	% Change	2024
	(R)		(R)		(R)
Revenue	409 355 525	119.67%	186 352 480	-19.55%	231 639 224
Gross Profit	182 814 294	117.67%	83 986 273	-49.07%	164 920 261
Net Expenditure (excl Cost of Sales)	117 404 792	-0.40%	117 881 132	-16.66%	141 445 758
Plant Investment	443 955 178	-2.14%	453 661 114	7.51%	421 966 220
Cash Equivalents	438 122 914	29.15%	339 230 971	-26.02%	458 531 091

REVENUE

Revenue for 2025/26 was R409.4 million, an increase of approximately 120% in recognised revenue from R186.4 million in 2024/25. This increase is due to 23% increase in sales volume for the period, mostly from local sales driven by Rift Valley Fever and Foot and mouth disease outbreaks.

GROSS MARGIN

OBP achieved a gross margin of 44.66% in 2025/26, in comparison to the gross margin of 45.1% during the same period in the previous year. The margins remain reasonably robust due to deliberate cost management and an optimal balance between public-good and private-good vaccine products.

OTHER INCOME

Other operating income for the year amounted to R7.9 million, reflecting a slight decrease from R8 million of the prior year. This category includes rental income, government grant, and miscellaneous revenue that is not part of the primary source of income, which is the sale of vaccines.

OPERATING AND ADMINISTRATIVE EXPENSES

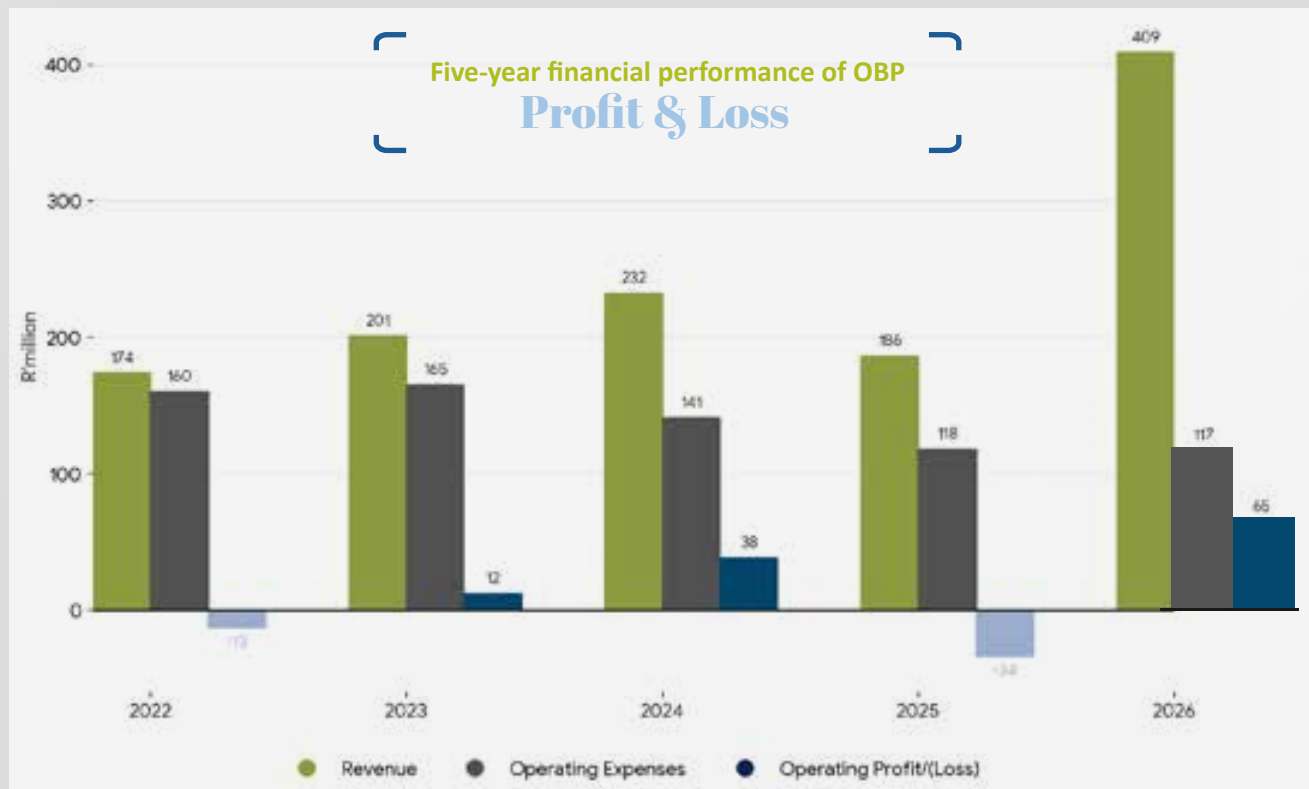
The overall organisation expenditure, excluding cost of sales, decreased by 0.4% year on year, which is below consumer inflation. Controlling cost escalation will be a primary focus in the coming financial year.

Investment Income

Investment income amounted to R19.9 million in the current fiscal year, a decrease compared with the prior year. This reduction is due to the utilisation of cash reserves for capital projects (such as the freeze-driers), during the year and lower interest rates on investments.

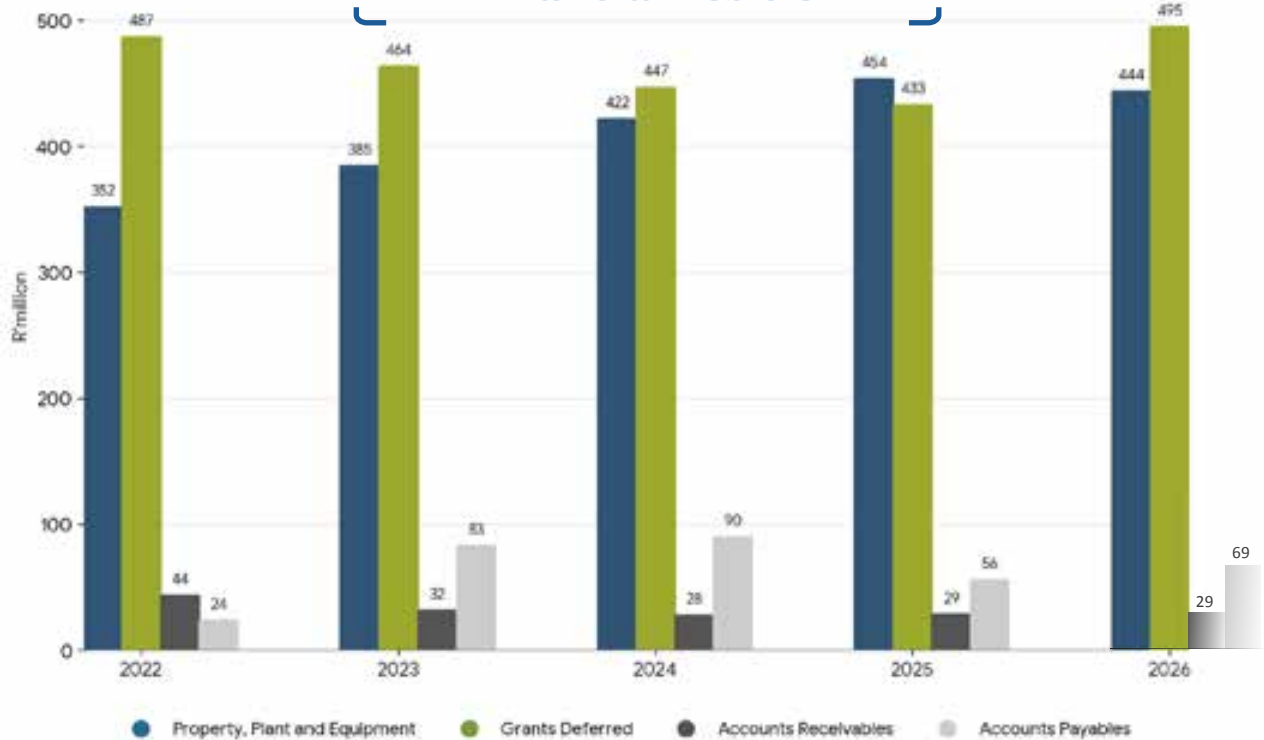
ORGANISATIONAL PERFORMANCE

The organisational financial performance over the 5-year period is summarised in the graphs below.

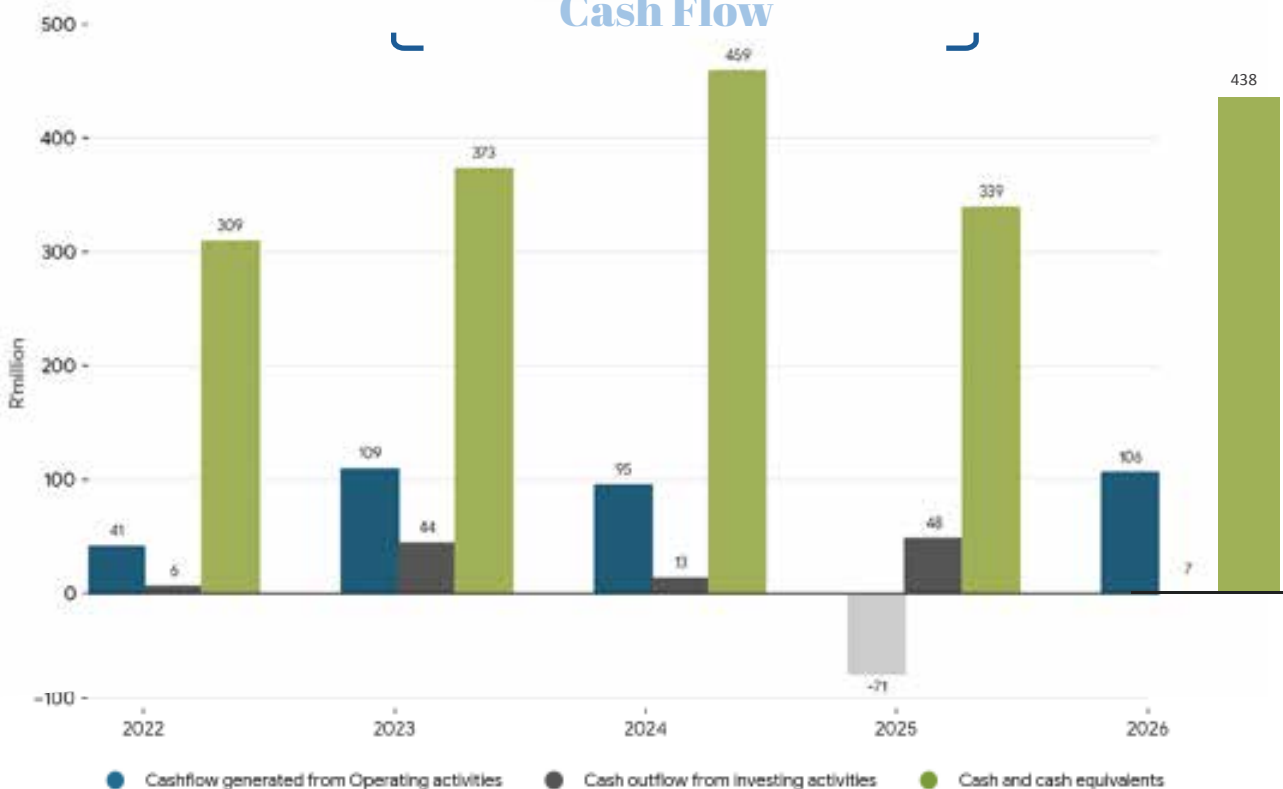


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Five-year financial performance of OBP Financial Position



Five-year financial performance of OBP Cash Flow



KEY FINANCIAL RISKS

OBP's competitors are increasingly updating their product offering in line with international demand. The OBP will have to adjust its production line to be agile and increase its research into future-proof products, to obtain sustainable financial growth. The entity is embarking on major infrastructure upgrades which will take this requirement into account.

Foreign currency remains a risk, especially due to the significant number of machinery acquisitions from international suppliers envisaged over the Medium-Term Expenditure Framework (MTEF). This risk is being managed through awareness of currency risk-related transactions, including a formal foreign exchange policy that guides currency risk management. There is also partial hedging through balancing foreign-currency current assets and liabilities and closely monitoring currency movements.

During the 2025/26 financial year, management focused on addressing the critical matters that led to the qualified audit opinion of the 2024/25 annual financial statements. Significant effort was invested in drafting a compliant Product Costing Policy and the concomitant Standard Operating Procedures (SOP). OBP's complex production processes involve multiple bills of materials (recipes) for more than 50 products. Under the full absorption costing methodology, costs such as labour and overheads are allocated to each product on the basis of appropriate cost drivers.

As indicated in the Audit Report for 2025/26, even though the Costing Model is not yet materially reliable, all products were costed and the model could be audited. The allocation of overheads based on normal production needs further analysis and more accurate descriptions in the SOP.

The organisation faced significant systemic challenges across systems, processes, and organisational capacity, which are being addressed and prioritised. The improvements will continue to reflect positive audit outcomes.

Onderstepoort Biological Products SOC Ltd **2025/26**

CORPORATE GOVERNANCE REPORT

AUDIT OUTCOME

Corporate governance at OBP embodies processes and systems by which the organisation is directed, controlled, and held accountable. In addition to the founding legislative requirements and the Companies Act, OBP operates under the prescripts of the PFMA and adheres to the principles of the King V Report on Corporate Governance.

The Board is committed to conducting OBP's affairs in line with corporate governance standards, with integrity to ensure that all organisation decisions at each level are made with reasonable care, skill, and transparency, and increase public confidence. As part of the Board governing policy, the Board ensures that the organisation is managed ethically and within managed identified risk parameters whilst ensuring that sound governance structures and processes are in place as these are critical to achieving the organisation's long-term success.

The Board is also responsible for overseeing disclosure and communication processes, exercising independent and objective judgement on the affairs of the OBP. Each director is expected to uphold strict confidentiality regarding all sensitive and non-public matters of the organisation.

The Board, through the Audit, Risk & IT Committee (ARIT), monitors the effectiveness of OBP's combined assurance model. This model coordinates three lines/combined assurance, which are management oversight, internal audit (and other internal assurance providers), and external assurance (including the Auditor-General) to ensure that key risks are adequately controlled and that the integrity of reporting is maintained.



BOARD MANDATE

The Board, in line with the Board Charter reviewed annually, exercises its authority and duties as outlined below:

- Approving OBP's strategic direction and annual budget, and monitoring performance against them.
- Acting as the guardian of OBP's ethics, values and ensuring the organisation is managed ethically.
- Retaining full and effective control of OBP, including appointing the CEO and ensuring robust succession planning for senior management.
- Monitoring and guiding management's execution of strategy and ensuring proper risk management and internal controls are in place.

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- Safeguarding the integrity of corporate governance processes and transparent communication with stakeholders.
- Preventing irregular, fruitless, and wasteful expenditure, and ensuring compliance with all applicable laws and policies.
- Approving the annual financial statements and other significant reports.

BOARD CHARTER

The Board has approved its charter as an overall guiding tool for execution of its mandate. The charter sets out the responsibilities of members and procedures for meetings. The Board resolved to review the charter annually to ensure that it remains relevant.

THE ROLE OF THE CHAIRPERSON

The Chairperson of the board:

- Provides leadership and firm guidance to the Board while encouraging proper deliberation.
- Acts as a bridge between the Board and OBP Management.
- Is the main contact between the Board and the organisation's Shareholder.
- Encourages diverse views and independent judgement in Board discussions.



OBP's non-executive directors contribute a diverse range of skills and experience. They are not involved in daily operations, which enables them to exercise objective judgement on corporate affairs. Non-executive directors have full access to company information and may seek independent professional advice at OBP's expense when necessary to fulfil their duties.

During the financial year 2025/26, the Board held a total of 7 meetings to address urgent matters – demonstrating the directors' commitment and agility in guiding the company through challenges.

MANAGEMENT REPORTING TO THE BOARD

The Board has a responsibility to regularly review and approve management reports, including annual budgets and strategies. The OBP has adhered to a balanced disclosure of compliance areas and material exceptions reported by AGSA.

BOARD OF DIRECTORS

The OBP Board comprises the following members:

1. Prof. Peaceful Mabeta (Independent Non-executive Chairperson),
2. Dr. Linda Makuleni,
3. Ms. Sinovuyo Ntityantiya,
4. Dr. Natalie Skeepers (period ending 15 December 2025),
5. Mr. Rajesh Mahabeer,
6. Dr. Deenadayalen Konar, and
7. Mr. Mokutule Kgobokoe.

BOARD COMMITTEES

The Board, as the Accounting Authority, takes full ownership of the overall strategic decision-making across OBP to ensure it retains proper direction and control of the organisation. The Board has delegated certain powers to the CEO and management but has reserved certain powers exclusively for the Board and these are set out in the Board Charter. The Board has also established several committees to help it meet these responsibilities. Delegating various functions and authority to committees and management, however, does not absolve the Board and its directors of their duties and responsibilities. The Board has delegated

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certain functions without abdicating its responsibilities to the following committees:

- Audit, Risk, and Information Technology Committee;
- Operations, Sales & Marketing Committee;
- Research and Development Committee;
- The Remuneration, Human Resources and Social and Ethics Committee;
- Each committee of the Board has formal terms of reference embodied in a charter, which further defines the mandates, roles, and responsibilities of each Committee. The charters are reviewed and updated as and when required.

AUDIT, RISK, AND INFORMATION TECHNOLOGY COMMITTEE

- | | |
|----|---|
| 1. | Mr. Rajesh Mahabeer (Chairperson) |
| 2. | Dr. Linda Makuleni |
| 3. | Dr. Deenadayalen Konar |
| 4. | Dr. Natalie Skeepers (period ending 15 December 2025) |

OPERATIONS, SALES & MARKETING COMMITTEE

- | | |
|----|---|
| 1. | Ms. Sinovuyo Ntiyantiya (Chairperson) |
| 2. | Dr. Natalie Skeepers (period ending 15 December 2025) |
| 3. | Mr. Mokutule Kgobokoe |

RESEARCH AND DEVELOPMENT COMMITTEE

- | | |
|----|----------------------------------|
| 1. | Dr. Linda Makuleni (Chairperson) |
| 2. | Ms. Sinovuyo Ntiyantiya |
| 3. | Prof. Peaceful Mabeta |

REMUNERATION, HUMAN RESOURCES AND SOCIAL AND ETHICS COMMITTEE

- | | |
|----|--------------------------------------|
| 1. | Dr. Deenadayalen Konar (Chairperson) |
| 2. | Mr. Mokutule Kgobokoe |
| 3. | Prof. Peaceful Mabeta |
| 4. | Mr. Rajesh Mahabeer |

AUDIT, RISK & INFORMATION TECHNOLOGY COMMITTEE

The ARIT Committee has an independent role as a separate statutory committee with accountability to both the Board and OBP's shareholder. The Committee, chaired by an independent non-executive director, Mr Rajesh Mahabeer, is supported by 3 independent non-executive directors and the Acting CEO (attended by invitation). Committee members are assessed in terms of their qualifications, experience, and independence in line with their required duties in compliance with the best corporate practices and the Companies Act. The Committee members are recommended to the Board for approval on an annual basis and will be presented for shareholder election at the annual general meeting.

The Committee meets at least 4 times annually, but more often where necessary. During the reporting period, the Committee met 8 times.

The Committee has unrestricted access to the external and internal auditors. OBP's Company Secretary is the secretary of the Committee. The Chairperson represents the AR&IT Committee at the annual general meeting.



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The responsibilities of the Committee, per its charter, state the following:

- Overseeing all risks that may impact on the integrity of the Integrated Annual Report (IAR). Interim and annual results are reviewed to ensure that the financial results are valid, accurate, and fairly represent OBP's performance.
- Assisting the Board with all financial reporting and reviews of the annual financial statements, as well as the preliminary announcements and interim financial information.
- Providing a level of assurance to the Board on the sustainability reporting in addition to the financial reporting.
- Providing the Board with its views on a bi-annual assessment of the going concern status of OBP and regularly reviewing the appropriateness of the capital structure.
- Assessing internal controls governing accounting, auditing, and financial reporting.
- Reviewing and recommending the Integrated Annual Report (IAR) to the Board for approval.
- Reviewing and monitoring the structure, performance, and activities of the Internal Audit function, the external auditors, and the adoption of internal control procedures, including accounting policies, legislative compliance, regulatory matters, and governance.
- Nominating the external auditors for appointments, approving the terms of engagement and remuneration for the external audit engagement, and monitoring and reporting on the independence of the external auditors in the annual financial statements.
- Setting the criteria for recommending the engagement of external auditors for non-audit services.
- It approves the internal audit plan and oversees the external audit process.
- Overseeing financial reporting risks, internal financial controls, fraud, and IT risks related to financial reporting.
- Advising and updating the Board on issues ranging from accounting standards to published financial information.
- Approves and monitors OBP's whistle-blowing systems and processes.

- Considers the findings by the external auditors arising from their annual statutory audit when tabled, following the audit.
- Endorses action plans for management to mitigate risks.
- Has access to the organisation's records, facilities, employees, and other resources necessary to effectively discharge its responsibilities.

The CEO reports to the ARIT Committee on the effectiveness of internal controls.

The ARIT Committee has considered and is satisfied with the expertise and experience of OBP's Chief Financial Officer and has

considered and is satisfied with the independence of the external auditors and the effectiveness of OBP's internal audit function.

The ARIT Committee recommended the Integrated Annual Report (IAR) to the Board for approval.



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INTERNAL CONTROL SYSTEMS

Management is responsible for systems of internal control. Such systems are designed to assist in achieving organisational goals and safeguard assets. They also play a key role in preventing and detecting fraud and error. An effective internal control system provides reasonable assurance concerning financial statement preparation and the safeguarding of assets. The effectiveness of internal control systems can change with circumstances, and for this reason, these are reviewed and updated regularly. The systems presently in place are suitably aligned with the monitoring requirements, and balanced disclosure is consistent with AGSA.

INTERNAL AUDIT

OBP has an outsourced internal audit function awarded to Samba Solutions. OBP's internal audit function employs a risk-based approach to developing its internal audit plan which is approved by the AR&IT Committee. The internal audit function independently executed its plan with support from OBP's employees and management, and reporting to AR&IT and the Board.

HUMAN RESOURCES, REMUNERATION AND ETHICS COMMITTEE

The Committee is responsible for ensuring that OBP's executive directors, management and staff are adequately compensated for their contributions to the organisation's overall performance objectives. Dr. D. Konar served as the Chairperson of the Remuneration, Human Resources and Social and Ethics Committee for the fiscal year under review. The committee consists of the Chairperson, 3 independent non-executive directors, and the Acting CEO (attended by invitation). The Committee meets at least four times per year, but more frequently when necessary. Throughout the reporting period, the Committee met 6 times.

REMUNERATION POLICY

OBP operates in a highly competitive market in which key skills and technical know-how are critical to its success. The OBP strives to compensate employees fairly and per the market in related industries.

In cooperation with the Acting CEO and Management, the Remuneration, Human Resources and Social and Ethics Committee oversees and recommends wage increases and employee benefits. The OBP remunerates its executive directors using credible benchmarked data and strives to achieve market-related cost-to-employer packages, which combine basic salary with incentives, provided the OBP achieves specified asset returns. The CEO's performance is evaluated annually by the Chairperson of the Remuneration, Human Resources and Social and Ethics Committee to decide his salary package for the coming year. Similarly, the CEO conducts an annual performance evaluation of all Management executives.

The remuneration of these executives and other executive directors is detailed in the annual financial statements (refer pages 154 to 156).

The Human Resources, Remuneration, and Ethics Committee is also responsible for the OBP's Social, Ethics, and Transformation function, which assists the Board in ensuring that the OBP continues to be a good and responsible corporate citizen, as well as performing the statutory functions required of a Social and Ethics Committee under the Companies Act and King V.

The responsibilities and functioning of the Human Resources, Remuneration and Ethics Committee concerning Social, Ethics, and Transformation are:

Policy review:

The Committee is responsible for developing and reviewing the policies regarding commitment, governance, and reporting of the OBP's sustainable development performance and for making recommendations to the Board and management in this regard.



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Monitoring sustainable development performance:

The Committee performs a monitoring role concerning the sustainable development performance of the OBP, specifically relating to:

- stakeholder engagement.
- health and public safety, which includes occupational health and safety.
- Broad-based black economic empowerment and transformation.
- employee relations and working conditions.
- training and skills development of employees.
- management of the OBP's environmental impacts.
- ethics and compliance.
- corporate social investment.

As part of its responsibilities, the Committee also reviews relevant legislation and prevailing codes of best practice, particularly in the areas of social and economic development, good corporate citizenship, environmental management, health and safety, consumer relationships, and labour and employment practices.

With regard to the following:

- Material sustainability issues: The Committee is responsible for annually revising or determining, in conjunction with senior management and through effective stakeholder engagement processes, OBP's material sustainability issues.
- Public reporting and assurance: The Committee is responsible for reviewing and approving the annual sustainability content, as far as it relates to social, ethical, and transformation issues included in the Integrated Annual Report (IAR) and published on the organisation's website, as well as making recommendations on external assurance of OBP's public reporting on sustainable development performance.

The Committee is also required to report on matters within its mandate, through one of its members, to the organisation's shareholder at its annual general meetings.

For a more detailed review of sustainability, refer to pages 56 to 57 of this report.

OPERATIONS, SALES, AND MARKETING COMMITTEE

The Committee is responsible for overseeing the development of strategies, policies, and standards related to the committee's functions, as well as:

- Advises management on the mobilisation of resources and oversees the establishment of processes for the support of the core mandate of the organisation.
- Has an oversight role on consumer relations.

The Chairperson of the Operations Committee for the year under review was Ms. S. Ntiyantiya. The Committee consists of the Chairperson, 3 independent non-executive directors, and the Acting CEO (attended by invitation). The Committee met quarterly and held 4 meetings during the year.

RESEARCH AND DEVELOPMENT COMMITTEE

The Committee is responsible for overseeing the development of strategies, policies, and standards relating to the Committee's functions, as well as:

- Advises management on the mobilisation of resources.
- Oversees the establishment of processes for the support of the core mandate of the organisation.
- Facilitates collaborations and partnerships concerning the functions of the organisation as well as the development of the research agenda for it.
- Ensures that all intellectual property is managed per the Intellectual Property Policy of the organisation.
- The Chairperson of the Research and Development Committee for the year under review was Dr. L. Makuleni. The Committee consists of the Chairperson, 3 independent non-executive directors, and the Acting CEO (attended by invitation). The Committee meets quarterly and holds 4 meetings during the year.

BOARD MEETING ATTENDANCE

The Board meets on pre-arranged dates at least once a quarter and other times as deemed necessary. The Board holds annual workshops to review the strategy and conduct an annual risk assessment. During the past 12 months, the Board has convened 7 times (including special meetings).

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The OBP Board is required to hold at least four meetings per year. Only members of the Board voted during meetings. In each of those meetings, the quorum of the meeting was met. In each meeting, members were allowed to declare any personal conflict of interest to be recused from the deliberation of the matter in which a member was involved. The table below and the accompanying legend illustrate the meeting attendance of Board members for the financial year.

Name	Board	Special Board	Audit Risk & IT	Special Audit Risk & IT	Operations Sales & Marketing	Research & Development	Human Resources Remuneration & Ethics	Special-Human Resources Remuneration & Ethics	Annual General Meeting	Joint OP-SCOM & R&D	Board Strategy Session
Board appointed on 01 November 2023 for a term of 3 years											
Total Meetings Held	4	3	4	4	3	3	4	2	1	1	2
* Prof. P Mabeta	4	3	-	4	3	3	4	2	1	1	2
** Mr. R Mahabeer	4	3	4	-	##1	-	3	2	1	1	2
*** Dr. L Makuleni	4	3	4	4	-	3	-	-	1	1	2
**** Dr. D Konar	4	3	4	4	-	-	4	2	1	-	2
***** Ms. S Ntiyantiya	3	3	#1	-	1	1	-	-	1	1	2
Mr. M Kgobokoe	4	3	-	-	3	-	4	2	1	1	2
~ Dr. N Skeepers	3	2	3	4	3	##2	-	-	1	-	2

Legend:

* Board Chairperson

** Audit Committee Chairperson

*** R&D Chairperson

**** Remuneration, Human Resources and Social and Ethics Committee Chairperson

***** OPSCOM Chairperson

~ (period ending 15 December 2025)

next to number of meetings – By invitation

next to number of meetings – By invitation

ENGAGEMENT WITH PORTFOLIO COMMITTEES

The following presentations were made by OBP to the Portfolio Committees in Parliament:

- Portfolio Committee on Agriculture.
- 17 June 2025 - table of APP and budget.
- 07 October 2025 - table of the 2024/25 annual performance report.
- 03 March 2026 - 2025/26 Q1 and Q2 Performance & Expenditure Reports.

REGULATORY COMPLIANCE

Based on the principal laws and regulations in effect during the year, disclosure fully aligned to AGSA, including AFS preparation, irregular expenditure and consequence-management findings. There were no significant fines imposed, nor were the organisation or its directors prosecuted for failing to comply with any applicable legislation.

CONFLICTS OF INTEREST

The Board acknowledges the significance of acting in OBP's best interests while also preserving its stakeholders' legitimate interests and expectations. The Board regularly applies the Companies Act's procedures in disclosing and preventing conflicts of interest. All directors have declared their interests per the Companies Act.

INFORMATION & COMMUNICATION TECHNOLOGY

The Board understands the importance of the Information and Communication Technology (ICT) function in the organisation of OBP to support its sustainability and growth. They have been instrumental in capacitating the function by ensuring the relevant resources are available to support the organisation's strategy.

FRAUD AND ETHICS MANAGEMENT

OBP has a zero-tolerance policy on fraud and corruption. OBP expects its employees, organisation partners, contractors, and associates to act with the utmost integrity and per the OBP code of ethics and fraud and corruption policy. A thorough code of ethics commits OBP and its employees to the highest ethical and professional standards, and it is fully supported by the Board and CEO.

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This code has been effectively communicated to all OBP employees, applied to all connections between OBP and its directors, executives, management, and employees, both internally and with external stakeholders such as customers, suppliers, shareholders, and society at large.

The code of ethics serves as the cornerstone for OBP's fraud policy, helping to foster a strong and healthy ethical culture. Both policies are in complete compliance with the Prevention and Combating of Corrupt Activities Act 12 of 2004. The organisation's fraud policy requires that all reported allegations be investigated.

FRAUD AND CORRUPTION

The Audit, Risk, and Information Technology Committee provides oversight over the fraud and corruption prevention controls and mechanisms within OBP's operating environment. Accordingly:

- The Fraud Risk Register is developed and monitored.
- Risk incidents are logged. OBP has a toll-free whistleblowing hotline operated by an external service provider. Employees are encouraged to report any suspected corrupt, fraudulent, criminal, or unethical practices. There were no incidents of fraud or corruption reported through the toll-free whistleblowing hotline during the 2025/26 financial year.

MINIMISING CONFLICT OF INTEREST

The conflict is managed through formal declarations at the beginning of each meeting. Members of Management and members of oversight committees also provide written declarations at the beginning of each financial year. OBP further has a gift register where staff at all levels are expected to formally register all gifts that they receive above the amount of R350.00.

CODE OF CONDUCT

The code of conduct at OBP is managed through a code of conduct policy and ethics policy, which have been approved.

Based on management reports and legal compliance assessments, disclosure fully aligned to AGSA, including AFS preparation, irregular expenditure and consequence-management findings.

Onderstepoort Biological Products SOC Ltd **2025/26**

RISK MANAGEMENT

Effective risk management remains fundamental to Onderstepoort Biological Products SOC Ltd's (OBP) governance framework and its ability to deliver on its strategic mandate. As a Schedule 3B public entity, OBP is committed to maintaining an effective, efficient and transparent system of risk management in compliance with the Public Finance Management Act (PFMA), 1999 (Act No. 1 of 1999), the National Treasury Public Sector Risk Management Framework, and the principles of the King V code on Corporate Governance for South Africa.

OBP has implemented an Enterprise Risk Management (ERM) framework that supports informed decision-making, enhances organisational resilience, and promotes the achievement of strategic and operational objectives. The Board retains overall accountability for the governance of risk and exercises oversight through the Audit, Risk and Information Technology (ARIT) Committee, which monitors the effectiveness of the organisation's risk management processes and internal control environment.

The Board regularly considers strategic risks within the context of the organisation's mandate, recognising that the effective management of risk is integral to sustainable performance, operational excellence and the continued delivery of quality biological products and services to stakeholders. The organisation's risk management framework encompasses the following key focus areas:



Integrated Annual Report

- Strategic risk management;
- Operational risk management;
- Fraud prevention, anti-corruption and ethics management;
- Combined assurance; and
- Continuous monitoring and reporting of key risks.

STRENGTHENING THE RISK MANAGEMENT FRAMEWORK

During the reporting period, OBP continued to enhance its risk management maturity. An independent risk management service provider was appointed to review the existing Enterprise Risk Management framework, policies and practices against legislative requirements and leading governance standards. Following comprehensive engagement with the Board and executive management, the revised Risk Management Policy and Strategic Risk Register were approved.

Building on this work, executive and operational management reviewed and aligned strategic and operational risk registers across the organisation. The updated registers identify the principal risks that may affect the achievement of organisational objectives and incorporate appropriate mitigation measures, risk owners and monitoring mechanisms to reduce residual risk exposure to acceptable levels.

RISK GOVERNANCE AND OVERSIGHT

To strengthen risk governance and support the Chief Executive Officer in discharging responsibilities in terms of the Public Sector Risk Management Framework, the Risk Steering Committee (RSC) continued to provide executive oversight of the organisation's risk management activities in accordance with its approved Terms of Reference.

The RSC is responsible for monitoring the implementation and effectiveness of the Enterprise Risk Management framework, reviewing the adequacy of internal controls, evaluating progress against risk mitigation action plans, and promoting a culture of proactive risk management throughout the organisation. The Committee reports regularly to the Executive Committee and provides assurance to the Audit, Risk and Information Technology (ARIT) Committee on the status of the organisation's risk profile, key emerging risks and the effectiveness of mitigation strategies.

Through these governance structures and continuous improvement initiatives, OBP remains committed to embedding sound risk management practices that support organisational resilience, regulatory compliance, accountability and the sustainable achievement of its strategic objectives.

RISK RATING	STRATEGIC RISK	RISK CATEGORY	POTENTIAL IMPACT
	Ineffective Talent Management	Human Capital & Skills Risk	Reduced operational effectiveness and innovation
	Ineffective Execution of Strategic Initiatives	Strategic Alignment Risk	Failure to deliver on shareholder compact and mandate
		Governance & Leadership Risk	Poor strategic execution; heightened risk of irregular expenditure
	Ineffective Compliance with Legislative Requirements	Regulatory & Compliance Risk	Adverse audit outcomes; regulatory sanctions; loss of stakeholder trust
	Insufficient Research & Development (R&D) Output	Financial Sustainability Risk	Threat to going-concern status; constrained reinvestment and innovation
	Inadequate Compliance with International Quality Standards & Regulatory Requirements	Financial Sustainability Risk	Threat to going-concern status; constrained reinvestment and innovation
		Production & GMP Compliance Risk	Inability to meet vaccine demand; loss of credibility; restricted exports
	Reliance on Sole/Single Raw Material Suppliers	Supply Chain & Operational Continuity Risk	Interrupted vaccine availability; unmet stakeholder needs
	Loss of Market Share	Financial Sustainability Risk	Threat to going-concern status; constrained reinvestment and innovation
	Inability to Supply Products to Meet Demand	Stakeholder & Reputational Risk	Reduced demand; strained government and industry relations
	Outdated Business Continuity Plan	Biosecurity & National Disease Control Risk	Increased disease outbreaks; trade restrictions food security risks
	Inadequate Modern Infrastructure and Funding	Infrastructure & Capital Project Risk	Prolonged production constraints; sunk costs

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SUSTAINABILITY REPORT

OVERVIEW

This Sustainability Report presents OBP's environmental, social and governance (ESG) performance for the financial year ended 31 March 2026. In preparing this report, the entity considered recognised sustainability reporting frameworks and governance principles, including the King V Report on Corporate Governance for South Africa and the Global Reporting Initiative (GRI) Standards. While OBP continues to strengthen its non-financial reporting capability to achieve focused alignment with international reporting standards, the organisation remains committed to transparent, accountable and balanced reporting of its sustainability performance, progress and areas for improvement.

Sustainability is embedded within OBP's strategy, recognising that long-term organisational success depends on creating shared value for society, protecting the environment and maintaining sound governance practices. Through responsible business operations, strategic partnerships and targeted investment, the organisation continues to contribute to 2030 NDP goals.

Throughout the year under review, OBP prioritised initiatives that create meaningful social value. As an active participant in the Agriculture and Agro-processing Master Plan, the organisation supported disease awareness and farm-level

biosecurity programmes to strengthen the resilience of smallholder and emerging farmers. As part of its Corporate Social Investment (CSI) programme, OBP donated veterinary vaccines to resource-constrained farming communities, contributing to improved livestock health, productivity and food security.

The organisation also expanded its distribution footprint into underserved rural communities, improving access to essential animal health products while creating opportunities for local entrepreneurs through training, knowledge awareness, enterprise development and business participation. These initiatives contributed to local economic development, skills transfer and employment creation, reinforcing OBP's commitment to inclusive growth.

Recognising that its employees are fundamental to organisational success, OBP continued investing in employee development, leadership capability and organisational wellbeing. The organisation remains committed to attracting, developing and retaining a diverse, skilled, engaged and capable workforce that is equipped to support its long-term strategic objectives. Through ongoing learning and development programmes, and change management strategies, supported by dedicated Human Resources initiatives, OBP continues to strengthen organisational capability and foster a high-performance culture.

SOCIO-ECONOMIC DEVELOPMENT

Socio-economic development remains a key pillar of OBP's sustainability agenda. The organisation recognises its responsibility to contribute positively to the communities in which it operates, particularly

those in rural and historically underserved areas.

OBP continues to support programmes that improve livelihoods through knowledge sharing, skills development and community empowerment. Its socio-economic development initiatives focus on strengthening agricultural resilience, supporting emerging farmers and contributing to broader social and economic development through financial and in-kind assistance. These interventions reflect the organisation's commitment to creating sustainable value beyond its core business activities.

ENVIRONMENTAL STEWARDSHIP

Environmental sustainability remains integral to OBP's operations. The organisation is committed to minimising its environmental impact and ensuring compliance with applicable environmental legislation, including the National Environmental Management Act, 1998 (Act No. 107 of 1998). Environmental management practices are guided by established policies and procedures that promote responsible resource utilisation, pollution prevention and the continual improvement of environmental performance.

OBP continues to implement initiatives to reduce its environmental footprint through improved waste management, responsible use of natural resources, and enhanced environmental controls across its operations. The organisation maintains stringent procedures for the safe handling, treatment and disposal of hazardous biological waste to protect employees, surrounding communities and the environment.

In support of its long-term sustainability objectives, the organisation also continues to evaluate innovative technologies and process improvements that enhance operational efficiency while reducing resource consumption and waste generation.

These initiatives contributed to maintaining a safe and environmentally responsible operating environment, and no significant environmental incidents were recorded during the year under review. OBP remains committed to continuously improving its environmental performance and integrating sustainable practices into all aspects of its operations.



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Onderstepoort Biological Products SOC Ltd

2025/26

STAKEHOLDER ENGAGEMENT

STAKEHOLDER ENGAGEMENT

OBP recognises that its stakeholders are critical partners to its value chain and continued sustainability journey. OBP is committed to a stakeholder-inclusive approach to strengthen communication channels and provide accurate, relevant information to stakeholders, building mutual understanding and trust.

Stakeholders are encouraged to engage with OBP to gain a better understanding of the organisation and offer feedback through multiple channels, including:

- Direct contact with the customer, where the OBP service team and sales representatives interact with customers to address queries and gather input.
- Tip-Offs, an anonymous hotline, which is an independently monitored hotline for reporting any unethical behaviour or concerns anonymously.
- The Company Secretary, who handles formal information requests for publicly available corporate information, in line with the Promotion of Access to Information Act.
- Product information and literature, where OBP shares detailed product catalogues, guides, and educational materials.
- CEO stakeholder forums, where the CEO meets with industry associations, key stakeholders, and media
- Reports to the shareholder and portfolio committee periodically, ensuring government stakeholders are kept informed of progress and challenges.

OBP utilises a proactive communication and marketing strategy to communicate its strategic direction and plans so that stakeholders are fully apprised of its expectations and requirements. Through the OBP annual market survey, valuable feedback is received from customers and suppliers regarding its products and services. Any improvement suggestions from the feedback are carefully considered and integrated into the products and service development plans. OBP showcases its products and expertise in both domestic and international events, strengthening stakeholder relationships and keeping them informed of the latest developments.

During the period under review, the Acting CEO held numerous stakeholder engagements with industry partners, the media, and the Shareholder to address concerns and share information.

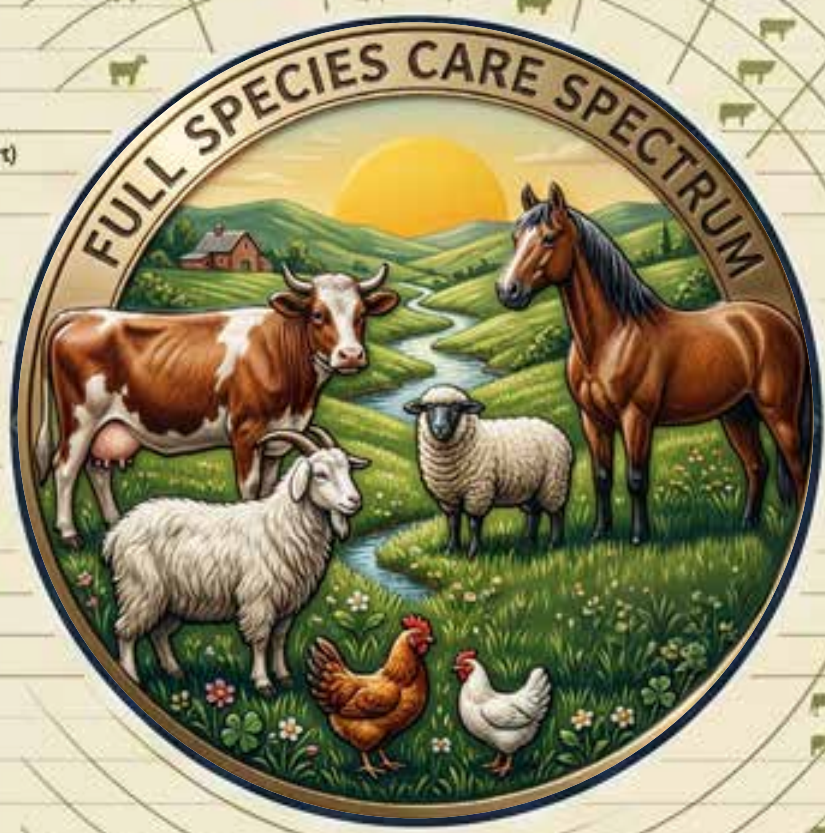
OBP is committed to maintaining open dialogue with stakeholders to help improve and better fulfil its mandate, whilst enhancing engagement efforts.

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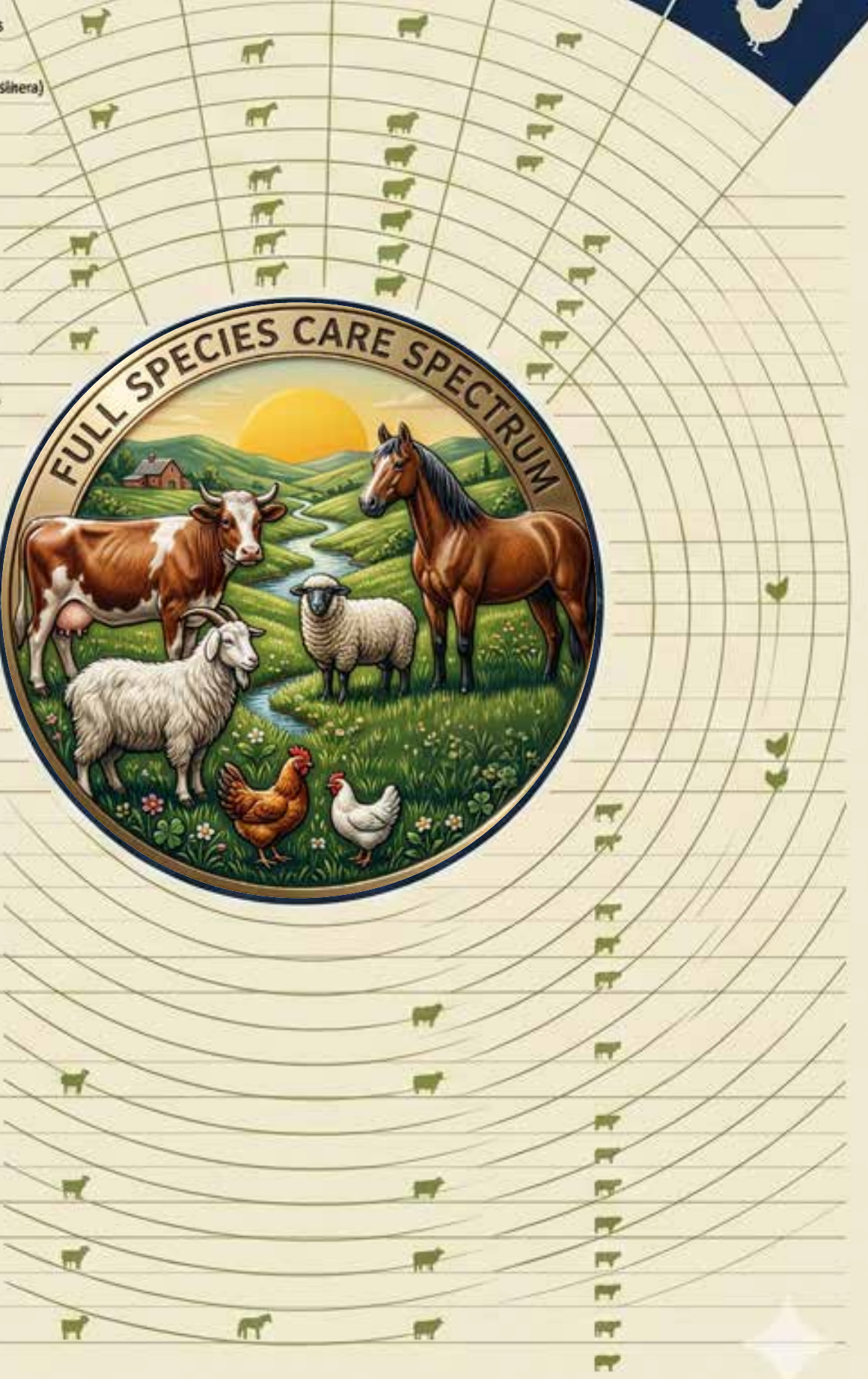
Onderstepoort Biological Products SOC Ltd **2025/26**

FULL RANGE OF OUR PRODUCTS

The OBP offers a comprehensive range of animal vaccines addressing major livestock diseases. Our product portfolio includes vaccines for Foot and Mouth Disease, Lumpy Skin Disease, Rift Valley Fever, Bluetongue, African Horse Sickness (for equines), brucellosis, anthrax, and many other critical animal diseases. In 2025/26, OBP's viral vaccines continued to be the top revenue contributors, reflecting strong demand in wet climatic cycles. Bacterial vaccines and other biological products made up the remaining parts, serving niche but important needs in the market. A detailed list of the products is shown below.



- Achirengess (Syrnabactarinii) Pyogenes
- African Horse Sickness
- Anaplesarros (Fweas (ITick-Some Gefatsihera)
- Anthvaz Spore
- Black Quarter
- Biucbsigus
- Blus Uolder
- Sotatian
- Anterie-ri Black Quarter (Comkined)
- Baherrepal
- Bravells Rev 1
- Brucella S19
- Call Pershyyheid (Dnetivsted Polytiolert)
- Call Rascbg Baarl Rinct
- Campok Narsec (Vksa) Fetun
- Chiomapure
- Oodiodiom Septicum
- Contenimertert or ovis
- Chlanspluo
- Beghant Skin Disease
- Entrestorcoines (Ahon-Precipitated)
- Entnrtreuoines (DI-emision)
- Lahenchie col: SIF-emision)
- Fool Pex
- FaciTypheid
- Gongereyone
- Noswaster - hekwted Blood
- Lumb Opemtery
- Lerlioport
- Lookopect 3
- Lompy Skon Disease
- Orf Fresan-Gided)
- Funswnrtio Coosis)
- Forstwnrtti (Shoep & Gasts)
- Redwater African (Frosen)
- Redwater Arcticiz (Frooen)
- RKF Gorne 13
- Bill Valley Fever (inctivated)
- Bill Valley Fever (Llee)
- Frevkost Noed
- Toterus
- Woodsboon Disease



Onderstepoort Biological Products SOC Ltd **2025/26**

HOLISTIC ORGANISATIONAL OVERVIEW

Production performance remained strong during the 2025/26 financial year, with manufacturing efficiency consistently maintained above 90%, building on the high levels achieved in the previous reporting period. This sustained operational performance contributed to improved product availability, particularly for strategic vaccines such as African Horse Sickness, Bluetongue, Lumpy Skin Disease and Rift Valley Fever.

The organisation demonstrated operational agility in responding to the Rift Valley Fever outbreak towards the end of the reporting period by implementing flexible production scheduling. This enabled OBP to prioritise the manufacture of high-demand vaccines, ensuring that market requirements were met in a timely and effective manner. In addition, the challenges associated with diluent production experienced during the previous financial year were successfully resolved, resulting in a consistent supply of high-quality diluent to support uninterrupted vaccine production.

Implementation of the long-term capital investment programme continued to strengthen OBP's manufacturing capability. The planned commissioning of 2 new freeze-driers is expected to significantly enhance production capacity, improve operational efficiency and strengthen manufacturing resilience. In the year ahead, the capital programme will be expanded to include critical upgrades to site infrastructure and supporting facilities.

The organisation also continued embedding World Class Manufacturing (WCM) principles across its operations. Strategic objectives and performance targets were cascaded throughout the Operations Division to ensure alignment with the Annual Performance Plan, while the adoption of structured meeting management and single-point-of-contact communication systems improved operational efficiency, collaboration and decision-making across the division.

Progress on the Good Manufacturing Practice (GMP) enhancement programme continued during the reporting period. However, implementation was affected by delays in appointing specialised service providers due to limited responses to the procurement processes. The organisation has prioritised the resolution of this matter and anticipates accelerating implementation of the GMP programme during the 2026/27 financial year.

SALES, MARKETING & BUSINESS DEVELOPMENT PERFORMANCE

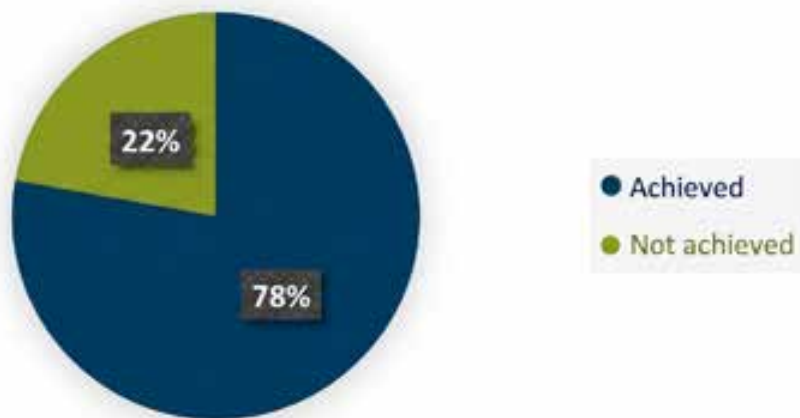
DEPARTMENTAL PERFORMANCE

During the 2025/26 financial year, heavy rainfall across the country contributed to increased viral disease outbreaks among many farmers. Outbreaks of Lumpy Skin Disease, Rift Valley Fever, and the ongoing Foot and Mouth Disease posed serious biosecurity risks for most farmers. These outbreaks, together with the heavy rains, resulted in significant demand for vaccines in both the cattle and sheep segments, as well as increased requests for technical information at farm level. Within this challenging environment, the Sales and Marketing Department achieved seven of its nine key deliverables, representing 78% for the year. Details are shown in the figure below.

In response to increased market demand driven by changing weather patterns and the heightened incidence of animal diseases, OBP enhanced its production efficiency to ensure the timely supply of critical vaccines, particularly viral vaccines. This agile response enabled the organisation to meet customer demand while reinforcing its role in safeguarding animal health and national biosecurity.

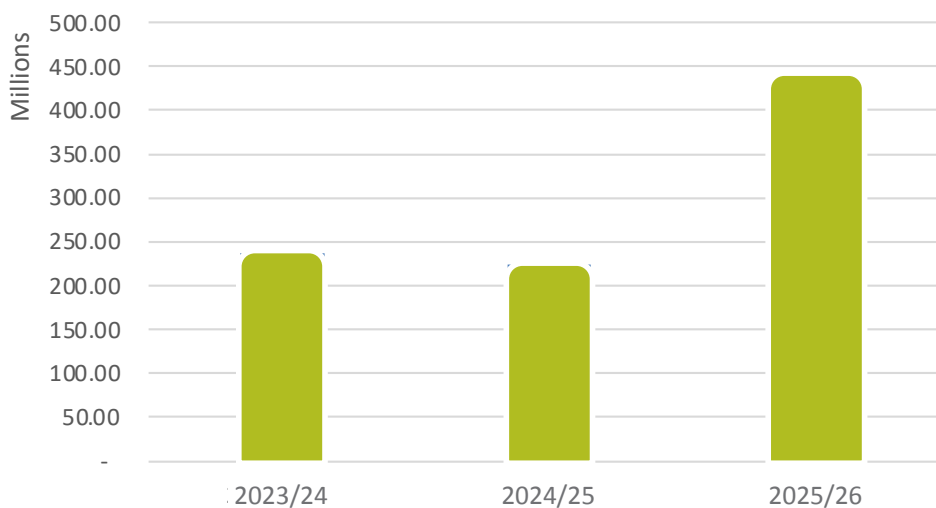
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Overall Annual departmental performance 2025/26



The improved operational performance translated into strong financial results, with product sales revenue increasing by 96% and product utilisation growing by 23% during the year under review. These results reflect the organisation's ability to align production capacity with market demand, strengthen customer confidence, and support the sustainability of its operations. Figure 2 illustrates the growth trajectory in OBP's annual sales revenue over the period from 2023/24 to 2025/26.

Figure 2: Three year sales performance



PRODUCT PERFORMANCE

Viral vaccines remained the primary drivers of OBP's sales performance during the year under review. Sustained demand for vaccines targeting vector-borne and transboundary animal diseases, including Lumpy Skin Disease, Bluetongue, Rift Valley Fever and Foot and Mouth Disease, reflected the changing disease landscape and the increased need for effective disease prevention and control.

Favourable weather conditions contributed to heightened disease risk and, consequently, increased demand for viral vaccines. By maintaining adequate product availability and responding proactively to market requirements, OBP strengthened its market position within the viral vaccine segment and reinforced its role as a trusted provider of animal health solutions to the livestock industry.

CUSTOMER SERVICE AND COMPANY BRAND PERCEPTION

During the year under review, OBP made significant progress in enhancing customer service and product availability, addressing key concerns raised by stakeholders in previous years. These improvements were reflected in the 2025/26 customer satisfaction survey, where 84% of customers expressed satisfaction with OBP's products and services, representing a six-percentage-point increase compared to the previous reporting period. This outcome reflects the success of the organisation's continued investment in customer experience and service excellence.

OBP responded effectively to outbreaks of Rift Valley Fever by ensuring the timely availability of vaccines to meet market demand. The organisation also successfully transitioned to a new logistics service provider through continuous stakeholder engagement, with no disruption to its national distribution network. These efforts contributed to the successful retention of all key customers from the previous financial year, reinforcing confidence in the reliability of OBP's products and services.

The organisation continued to strengthen its partnerships with farmer commodity organisations while expanding direct access to its products by onboarding additional commercial farmers. To further improve product accessibility, 14 new distribution points were established in underserved rural communities, extending the organisation's reach and enhancing service delivery to both commercial and emerging farmers.

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Recognising the importance of disease prevention, OBP also intensified its farmer support initiatives during the outbreaks of Rift Valley Fever and Foot and Mouth Disease. A total of 28 farmer engagement and biosecurity awareness interventions were conducted to strengthen disease prevention practices and improve on-farm biosecurity.

OBP remains committed to a customer-centric approach by continuously investing in stakeholder engagement, expanding market visibility, and strengthening its distribution network to ensure farmers have reliable access to quality animal health solutions across South Africa.



Onderstepoort Biological Products SOC Ltd **2025/26**

REPORT OF THE CHIEF SCIENTIFIC OFFICER

Innovation, Research & Development (IR&D) remains central to OBP's long-term sustainability, competitiveness and growth. As the cornerstone of the organisation's innovation strategy, the division continues to drive the expansion of OBP's product portfolio through scientific excellence, research collaboration and the development of innovative animal health solutions.

The division's strategic focus is on advancing vaccine research and development, strengthening scientific capability, expanding the product pipeline and ensuring compliance with national and international regulatory standards. Through continued investment in people, research infrastructure and product development, IR&D plays a pivotal role in positioning OBP as a leading provider of veterinary vaccines while supporting national biosecurity and food security objectives.

STRATEGIC COLLABORATIONS

Collaboration remains fundamental to OBP's research and innovation agenda. During the reporting period, the organisation strengthened partnerships with leading academic and research institutions across South Africa. These collaborations provided access to specialised expertise, research infrastructure and knowledge-sharing opportunities, accelerating the development of vaccine candidates and supporting technological innovation across the product portfolio.

PRODUCT REGISTRATION AND COMMERCIALISATION

Progress in expanding OBP's regulatory footprint continued during the year under review. The organisation submitted 10 product



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registration dossiers to regulatory authorities, comprising two submissions in terms of Act 36 and eight submissions to priority international markets across East Africa, Southern Africa, Central Asia, the Middle East, Western Europe and Central Europe.

These submissions exceeded the annual target and represent an important milestone in advancing OBP's commercialisation strategy and expanding access to international markets. Additional dossiers for priority animal disease vaccines remain under regulatory review, positioning the organisation for future growth while strengthening regional animal health and national biosecurity.

HUMAN CAPITAL DEVELOPMENT

Developing scientific capability remains a strategic priority for OBP. The organisation continued to invest in staff development and postgraduate education to strengthen its research capacity and sustain scientific excellence.

During the reporting period, two scientists successfully completed doctoral degrees under OBP's supervision, while one postgraduate student completed advanced studies, further enhancing the organisation's internal expertise. In addition, two researchers continue with their doctoral studies, and OBP hosted National Research Foundation-funded postdoctoral fellows, reinforcing its commitment to developing future scientific leaders and strengthening research capability.

RESEARCH INFRASTRUCTURE

OBP continued to invest in modernising its research infrastructure to support innovation and regulatory compliance. Significant progress was achieved in upgrading the

Vector Protected Facility (VPF), a critical component of the organisation's vaccine development capability and essential for conducting secure research and clinical trials.

The small animal research facility also underwent important upgrades to meet regulatory requirements, improving research capacity and providing a stronger platform for future vaccine development programmes.

SCIENTIFIC LEADERSHIP AND KNOWLEDGE SHARING

The organisation maintained a strong presence within the national and international scientific community through active participation in leading conferences, technical forums and specialised training programmes. Highlights included participation in the International Conference for Brucellosis, the World Vaccine Conference and presentations at the 23rd Annual Congress of the Southern African Society for Veterinary Epidemiology.

These engagements facilitated knowledge exchange, strengthened collaborative networks and reinforced OBP's reputation as a recognised contributor to veterinary vaccine research and innovation.

PEER-REVIEWED PUBLICATIONS AND INTELLECTUAL PROPERTY

OBP's scientific team continued to contribute to global scientific knowledge by publishing research in internationally recognised peer-reviewed journals. These research outputs demonstrate the organisation's growing scientific capability, support evidence-based vaccine development and strengthen OBP's reputation as a centre of excellence in veterinary research.

Looking ahead, OBP will continue to strengthen its innovation and commercialisation agenda by accelerating the development and market introduction of new vaccines, enhancing research infrastructure, and expanding strategic collaborations to leverage both local and international scientific expertise. Key priorities for the coming year include finalising priority product registrations, advancing compliance with Good Manufacturing Practice (GMP) standards, and continuing to invest in scientific capability and human capital development.

These initiatives will strengthen the organisation's innovation pipeline, enhance market readiness, and reinforce OBP's long-term sustainability as a leading provider of animal health solutions.

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Onderstepoort Biological Products SOC Ltd

2025/26

HUMAN RESOURCES REPORT

OBP remains committed to developing a skilled, capable and future-ready workforce to support the delivery of its strategic objectives. Through the implementation of its annual Workplace Skills Plan (WSP), the organisation continues to assess organisational skills requirements and invest in targeted learning and development initiatives that strengthen organisational capability, support business continuity and ensure regulatory compliance.

During the year under review, employees participated in a broad range of technical and non-technical development interventions, including conferences, workshops, seminars, on-the-job training, short learning programmes and continuous professional development initiatives. These programmes enhanced employee competencies, supported knowledge transfer and strengthened the organisation's capacity to respond to the evolving needs of the animal health sector. In addition, employees pursuing formal qualifications received bursary support as part of OBP's ongoing commitment to professional development and succession planning.

The organisation maintained a healthy overall retention rate of $\leq 5\%$, reflecting continued efforts to attract and retain the talent required to deliver on its mandate while ensuring operational stability.

Looking ahead, OBP will further strengthen its employee value proposition by implementing targeted retention strategies to reduce employee turnover, particularly among critical and high-performing talent. Planned initiatives include enhanced career development opportunities, succession planning, performance recognition, leadership development and programmes designed to promote employee engagement and foster a positive, high-performance work environment.

OBP remains committed to maintaining constructive employee relations founded on fairness, mutual respect and compliance with applicable labour legislation. During the reporting period, no employee dismissals were recorded. All employee relations matters continued to be managed proactively in accordance with the organisation's human resource policies, collective agreements and legislative requirements, ensuring sound governance, procedural fairness and organisational stability.

LABOUR RELATIONS: MISCONDUCT AND DISCIPLINARY ACTION

Nature of disciplinary action	Verbal warning	Written warning	Final written warning	Dismissals	Not guilty	Pending cases	Totals
Number	-	1	2	-	1	2	6



Onderstepoort Biological Products SOC Ltd **2025/26**

SAFETY, HEALTH & ENVIRONMENTAL (SHE) REPORT

OVERVIEW

Safety, Health and Environmental (SHE) management remains a core component of OBP's operational strategy and reflects the organisation's commitment to protecting employees, contractors, visitors, neighbouring communities and the environment. During the year under review, the organisation continued to strengthen its SHE management system through proactive risk management, regulatory compliance, employee engagement and continuous improvement initiatives. OBP remains committed to the principle of Zero Harm and to maintaining safe, healthy and environmentally responsible operations in support of its strategic mandate.

GOVERNANCE

The Board exercises oversight of SHE performance through the Remuneration, Human Resources and Social and Ethics Committee, which receives quarterly reports on strategic SHE risks, legal compliance, audit outcomes and reportable incidents. Executive accountability for SHE resides with the Corporate Services Executive, while operational implementation is coordinated through the site-level SHE Steering Committee, chaired by the Chief Operations Officer and convened in accordance with the requirements of the Occupational Health and Safety Act. This governance structure ensures that SHE objectives remain aligned with the organisation's strategic priorities and applicable legislative requirements.

SAFETY PERFORMANCE

SHE performance improved during the reporting period following the appointment of a suitably qualified and experienced SHE Officer. Under this leadership, the organisation initiated a comprehensive review of its SHE policy framework to strengthen alignment with current legislative and regulatory requirements.

Key initiatives implemented during the year included employee health assessments, the enhancement of site safety induction procedures, the introduction of standardised contractor safety file requirements, and strengthened waste management oversight by the SHE function. In addition, a formal Permit-to-Work system for both internal activities and contractor operations has been prioritised for implementation during the 2026/27 financial year.

These interventions contributed to a strengthened focus on injury prevention and operational risk management. Risk assessments were conducted for both internal and contractor-related activities, while management continued to encourage the reporting of near misses and unsafe conditions to support proactive hazard identification and strengthen the organisation's safety culture. All reportable incidents were investigated using recognised root cause analysis methodologies, and corrective and preventive actions were implemented to reduce the likelihood of recurrence.

OCCUPATIONAL HEALTH

Protecting employee health and wellbeing remains a strategic priority for OBP. In line with occupational health risk assessments and legislative requirements, the organisation has planned the implementation of expanded medical surveillance programmes during the 2026/27 financial year, including monitoring of employees exposed to biological agents, chemicals, noise and other occupational hazards.

The organisation also introduced an Employee Wellness Programme aimed at providing support to employees facing health, personal or workplace-related challenges, thereby promoting overall employee wellbeing and organisational resilience.

No significant occupational disease outbreaks or material occupational health events were recorded during the reporting period.

ENVIRONMENTAL STEWARDSHIP

Environmental management continued to focus on the responsible use of natural resources, the minimisation of waste generation and the safe management of hazardous materials and biological waste streams. OBP remains committed to reducing its environmental footprint and strengthening long-term environmental sustainability.

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As part of this commitment, the organisation has initiated a phased transition towards cleaner energy solutions, including the increased utilisation of solar energy, with the objective of reducing reliance on electricity generated from fossil fuel sources.

REGULATORY COMPLIANCE

The organisation continued to comply with applicable occupational health, safety and environmental legislation, including the Occupational Health and Safety Act and other relevant statutory requirements. Internal audits and compliance assessments confirmed that the SHE management system remained effective in supporting legal and regulatory compliance. Where opportunities for improvement were identified, corrective actions were implemented and monitored to completion.

LOOKING AHEAD

During the forthcoming financial year, management will continue to strengthen the maturity of the SHE management system through enhanced leadership visibility, increased employee participation, improved contractor management and continued investment in risk reduction initiatives. Particular emphasis will be placed on embedding a proactive safety culture, strengthening preventative controls and sustaining the organisation's commitment to Zero Harm.



Onderstepoort Biological Products SOC Ltd **2025/26**

SECURITY REPORT

OVERVIEW

Security remains a strategic priority for OBP in protecting its people, infrastructure, biological materials, intellectual property, information assets and national strategic capabilities. As a designated National Key Point, the organisation recognises its responsibility to maintain an effective and integrated security management system that supports operational resilience while safeguarding critical national assets. Security management is therefore aligned with the enterprise risk management framework and forms an integral part of the organisation's business continuity capability.

GOVERNANCE

Security governance is coordinated through the quarterly Joint Planning Committee (JPC), chaired by the Corporate Services Executive and comprising representatives from the South African Police Service, State Security Agency, National Key Point authorities and Disaster Management Services. Matters relating to strategic security risks, material incidents, business continuity, cyber resilience and emerging threats are



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reported to executive management, which remains accountable for ensuring that appropriate policies, procedures and security controls are implemented across the organisation.

Security risks are continuously assessed alongside operational and strategic risks to ensure that emerging threats are identified, monitored and managed appropriately.

PHYSICAL SECURITY

Throughout the reporting period, OBP maintained appropriate physical security measures to protect personnel, facilities and strategic assets. Access control, visitor management, security monitoring and incident response processes were implemented in accordance with organisational policies and applicable legislative requirements.

In line with the organisation's obligations as a National Key Point, detailed operational security arrangements are not publicly disclosed.

INFORMATION AND CYBER SECURITY

Recognising the evolving cyber threat landscape, OBP continued to strengthen information security governance and cyber resilience through enhanced technology controls, user awareness initiatives and ongoing monitoring of information systems. Continued investment in cybersecurity capability supports the protection of sensitive information, operational technology and critical business systems.

Cybersecurity remains a significant strategic risk and is actively monitored by executive management and the Board as part of the organisation's broader risk management framework.

BUSINESS CONTINUITY

Business continuity planning remained a key area of focus during the reporting period. The organisation continued to review and update its business continuity and disaster recovery arrangements to ensure that critical operations can be sustained during disruptive events and that recovery capabilities remain aligned with operational requirements.

SECURITY PERFORMANCE

Security incidents reported during the year were investigated and managed in accordance with established procedures. Corrective actions were implemented where necessary, and lessons learned were incorporated into standard operating procedures and control enhancements. Management continues to monitor security trends and emerging threats to ensure that mitigation measures remain effective, proportionate and responsive to the organisation's risk profile.

OUTLOOK

Looking ahead, OBP will continue to strengthen its integrated security programme through ongoing investment in security governance, cybersecurity capability, personnel awareness and business continuity management. Future initiatives will focus on enhancing the protection of strategic assets, strengthening resilience against emerging threats and ensuring that security arrangements continue to support the organisation's mandate while meeting the obligations associated with its National Key Point designation.

ANNUAL
PERFORMANCE
REPORT



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1. EXECUTIVE SUMMARY

The Onderstepoort Biological Products SOC Ltd's (OBP) local market share showed positive trends towards the latter part of the reporting period, although its export market share showed a decline. Revenue rose to R409.4 million, which is a 120% increase from the previous year, while the gross margin remained the same at 44.66% (2024/25: 45.1%). This is mainly due to the 23% increase in sales volumes. The OBP recorded a net profit (EBITDA) of R73.1 million (2024/25: Loss of R27.7 million), driven by improved local sales volumes.

2. ANNUAL FINANCIAL PERFORMANCE FOR FINANCIAL YEAR 2025/2026

Statement of Financial Performance for the period ending 31 March 2026.

Please refer to the Annual Financial Statements attached.

3. BRIEF FINANCIAL ANALYSIS

	2026	% Change	2025	% Change	2024
	(R)		(R)		(R)
Revenue	409 355 525	119.67%	186 352 480	-19.55%	231 639 224
Gross Profit	182 814 294	117.67%	83 986 273	-49.07%	164 920 261
Net Expenditure (excl Cost of Sales)	117 404 792	-0.40%	117 881 132	-16.66%	141 445 758
Plant Investment	443 955 178	-2.14%	453 661 114	7.51%	421 966 220
Cash Equivalents	438 122 914	29.15%	339 230 971	-26.02%	458 531 091

4. ANNUAL PERFORMANCE REPORT TARGETS 2025/2026

4.1 Measuring Our Outcomes

4.1.1 Outcome 1: Capable, Ethical and Developmental Organisation

Out-come	Output indicator	Annual Targets	Actual YTD Performance	Variance	Reason for variance	Action Plan
Capable, Ethical and Developmental Organisation	Unqualified Audit Opinion	Unqualified Audit Opinion	Qualified Audit Opinion	None Qualified Audit Opinion – 2024/25 Not achieved	The costing model was not ready for the review, and the performance indicators could not be supported by the evidence at the point of audit.	IFRS Compliant Product Costing Policy was approved for 2025/26. A manual audit costing model was implemented in compliance with the policy.
	Number of HR Strategies Tabled for Approval by the Board	1 HR Strategy Tabled for Approval by the Board	0 HR strategy tabled for approval by the Board	-1 Target not achieved	Additional research had to be conducted to strengthen the HR strategy.	The research on the HR strategy was completed and submitted for approval.
	Percentage Implementation of the HR Strategy	100% Implementation of HR Strategy	0% implementation of HR strategy	-100% Target not achieved	There was no implementation because the HR strategy was not finalised.	The HR Strategy was approved, and implementation will commence in Q1 of 2026/2027 financial year.
	Percentage Staff Turnover Rate	≤5% Staff Turnover Rate	1.5%	+3.5% Target achieved	Improved employee relations and targeted staff development initiatives implemented in the current financial year improved staff retention.	None
	Percentage Skills Training Interventions Attended	70% Skills Training Interventions Attached	83%	+13% Target achieved	There were efforts to increase staff attendance of training interventions.	None

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4.1.1 Outcome 1: Capable, Ethical and Developmental Organisation (continued)

Out-come	Output indicator	Annual Targets	Actual YTD Performance	Variance	Reason for variance	Action Plan
Capable, Ethical and Developmental Organisation	Percentage of Corporate Policies Approved	80% Approved Corporate Policies	80.9%	+0.9% Target achieved	Timely review of policies and effective stakeholder engagement on policies ensured that the target on the approval of corporate policies would be achieved.	None
	Number of Regulatory Frameworks Tabled for Approval by the Board	4 Regulatory Frameworks Tabled for Approval by the Board	4	0 Target achieved	The 4 frameworks were timeously submitted for approval.	None
	Regulatory Frameworks Compliance Rate (%)	100% Compliance with Regulatory Frameworks	100%	0% Target achieved	Implementation of the frameworks took place as per plan.	None

4.1.2 Outcome 2: Sustainable Financial Growth

Out- come	Output indicator	Annual Targets	Actual YTD Performance	Variance	Reason for variance	Action Plan
Sustainable Financial Growth	Financial Sustainability Plan Developed and Approved	Financial Sustainability Plan Developed, Approved	Financial Sustainability Plan Developed, Approved	None Target achieved	Financial Sustainability Plan submitted and approved timeously	None
	Increased EBITDA Annually	R21m EBITDA	R73.1m	+R52.1m Target achieved	Increased sales volumes	None
	Year-on-Year Revenue Growth Percentage	10% Year-on-Year Revenue Growth	120%	110% Target achieved	23% Sales volume increase	None
	% Volumes Sold (Doses)	10% Volumes Sold (Doses)	23%	+13% Target achieved	Increased demand	None
	Number of New Product Dossiers Submitted to Registrar of Act 36 of 1947 for Registration Annually	3 New Product Dossiers Submitted to Registrar of Act 36 of 1947 for Registration Annually	1	-2 Not achieved	Incomplete R&D projects resulting in insufficient data	Completion of the outstanding R&D development projects at the end of 2026/27 financial year.
	Number of Product Dossiers Submitted to International Markets Annually	6 Product Dossiers Submitted to International Markets	8	+2 Target achieved	New markets were identified and additional dossiers were submitted.	None
	Number of New Product Launch	1 New Product Launch	1	0 Target achieved	Adherence to product launch plan	None
	Number of Dossiers for Diversified Products Submitted to Registrar of Act 36 of 1947 for Registration	1 Dossier for Diversified products Submitted to Registrar of Act 36 of 1947 for Registration	1	0 Target achieved	Sufficient data available for dossier compilation	None

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4.1.3 Outcome 3: Improved Customer Service

Out-come	Output indicator	Annual Targets	Actual YTD Performance	Variance	Reason for variance	Action Plan
Improved Customer Service	Number of Customer Strategies Tabled for Approval by the Board	1 Customer Strategy Tabled for Approval by the Board	1 Customer Strategy Tabled for Approval by the Board	None Target achieved	Customer Strategy submitted and approved timeously	None
	Percentage Implementation of Customer Strategy	100% Implementation of Customer Strategy	84%	-16% Not achieved	There was no appointment of the sales agents, both in the domestic and international markets due to the delays in finalising the specifications	Finalisation of the specifications and appointment of the agents by Q2 of 2026/27 financial year
	% increase in Customer Satisfaction Rate	10% Increase in Customer Satisfaction Rate	84%	-2% Not achieved	Some Customer concerns not addressed timely	The outstanding customer concerns will be addressed by Q2 of 2026/27
	Percentage of Customer Complaints Response within 5 Business Days	100% of Customer Complaints Responded to within 5 Business Days	100%	0% Target achieved	Timeously completion of customer complaint investigation	None
	% Customer Retention Rate	90% Customer Retention Rate	100%	+10% Target achieved	Continuous engagements with existing customers resulted in improved retention	None
	Number of Commercial Farmer Customers Onboarded	10 Commercial Farmer Customers Onboarded	13	+3 Target achieved	Continued efforts to strengthen relations with commercial farmers contributed to improved customer onboarding	None
	Number of New Distribution Channels Opened	8 New Distribution Channels Opened	14	+6 Target achieved	More farmers showed interest in becoming distribution points in their respective communities which was supported by the business for the growth of distribution channels	None
	Number of Farmer Training Interventions	10 Farmer Training Interventions	28	+ 18 Target achieved	More farmer training events were undertaken to broaden engagement and interaction	None

4.1.4 Outcome 4: Improved Product Availability

Outcome	Output indicator	Annual Targets	Actual YTD Performance	Variance	Reason for variance	Action Plan
Improved Product Availability	% Adherence to Production Plan	90% Adherence to Production Plan	91.07%	+1.07% Target achieved	Increased production in line with demand for viral products	None
	Percentage of Quarterly Sales Target in Distribution	30% of Quarterly Sales Target in Distribution	43.16%	+13.16% Target achieved	More viral products were transferred due to high demand	None

4.1.5 Outcome 5: Improved Infrastructure and Facilities

Outcome	Output indicator	Annual Targets	Actual YTD Performance	Variance	Reason for variance	Action Plan
Improved Infrastructure and Facilities	GMP Roadmap Tabled and Approved Implemented	GMP Roadmap Tabled and Approved	GMP roadmap not tabled	Target not achieved	Delay in the appointment of a GMP Specialist Advisor.	Project manager has been appointed for GMP and is assisting with the process for GMP compliance
	Number of Enterprise Architecture Plans (EAP) Tabled for Approval by the Board	1 Enterprise Architecture Plan Tabled for Approval by the Board	1 Enterprise Architecture Plan Tabled for Approval by the Board	0 Target achieved	Enterprise Architecture Plan timeously completed.	None
	Percentage Implementation of Enterprise Architecture Plan	100% Implementation as per Enterprise Plan	0% implementation as per Enterprise Architecture Plan	-100% Not achieved	The EAP required improvement prior to approval.	The EAP has been approved, and implementation will start in Q1 of 2026/27

5. GUARANTEES AND BORROWINGS

None

6. CAPITAL INVESTMENT PROJECTS

None

7. NON-CORE ASSET/BUSINESS ACQUISITION OR DISPOSALS

None

8. OCCUPATIONAL HEALTH AND SAFETY

Reporting Per Quarter	Number of Incidences	Classification	Status
Q1	None	-	-
Q2	None	-	-
Q3	1	Major	Closed
Q4	3	Minor	Closed



9. RISK MANAGEMENT

Table1: Strategic Risk Register and Treatment Action Plan

Strategic Risk No.	Risk Name	Risk Description	Key Drivers/ Root Causes	Risk Category	Strategic Impact	Department of Agriculture Focus / Directive	IR	Controls in Place	RR	Management Action Plans
1.1	Ineffective Talent Management	Loss of critical skills and institutional capacity.	Skills shortages, staff turnover, limited specialist expertise	Human Capital & Skills Risk	Reduced operational effectiveness and innovation	Implement targeted skills retention and capacity-building programmes	25	1.Implementation of the recommendations from Employee engagement survey 2. Retention strategy in place	13	Development of Attraction and Retention Policy
1.2	Ineffective Execution of Strategic Initiatives	Weak governance, instability in executive leadership and oversight	Vacancies in senior roles, slow decision making, weak consequence management	Governance & Leadership Risk	Poor strategic execution; heightened risk of irregular expenditure	Stabilise leadership; strengthen Board and executive accountability	16	1. Appointment of acting executives 2. Review of procurement and delegation policies	13	1. Recruit and appoint executives in critical roles 2. Map procurement business processes to improve turnaround time. 3. Benchmark SCM processes with peer SOEs
1.3	Ineffective Compliance with Legislative Requirements	Noncompliance with legislation and regulatory standards	GMP noncompliance, weak internal controls, audit findings	Regulatory & Compliance Risk	Adverse audit outcomes; regulatory sanctions; loss of stakeholder trust	Improve compliance with PFMA, Treasury Regulations, and quality standards	9	1. SHE Officer appointed 2. Regular SHE committee meetings 3. Other legislative requirements in place 4. Outsourced whistle-blower facility in place	5	1. Develop & implement a SHE framework including awareness programmes. 2. Review & update OHS policy 3 Review & implement Fraud & Corruption policy. — 4. Conduct staff training & workshops. 5. Implement recommendations from investigations

Strategic Risk No.	Risk Name	Risk Description	Key Drivers/ Root Causes	Risk Category	Strategic Impact	Department of Agriculture Focus / Directive	IR	Controls in Place	RR	Management Action Plans
1.4	Ineffective Execution of Strategic Initiatives	Misalignment between OBP strategy and national agricultural priorities	Weak strategic planning, execution gaps	Strategic Alignment Risk	Failure to deliver on shareholder compact and mandate	Align strategy to national agricultural and biosecurity objectives	12	1. Appointment of acting executives 2. Review of procurement and delegation policies	6	1. Recruit and appoint executives in critical roles 2. Develop Procurement Strategy in conjunction with Business processes to improve turnaround time. 3. Benchmark SCM processes with peer SOEs
2.1	Insufficient Research & Development (R&D) Output	OBP may produce inadequate R&D outcomes, limiting product innovation, competitiveness, and access to new markets.	1. Lack of compliant R&D infrastructure 2. Absence of pilot facilities 3. Delays in Act 36 approvals 4. Theft/loss of IP	Financial Sustainability Risk	Threat to going-concern status; constrained reinvestment and innovation	Strengthen financial discipline, cost control, and revenue generation	16	1. Use of third-party facilities 2. Temporary use of production facilities 3. Engagement with Act 36 regulators 4. Access controls & SLAs for seed stock storage. 5. Employment contracts have NDAs	8	1. Upgrade animal facilities to be research compliant. 2. Outsourcing of research projects to strategic institutions/partners. 3. Implement CAPEX plan for R&D infrastructure 4. Establish biannual engagements with Act 36 5. Develop IP strategy implementation plan to safeguard seed stock
2.2	Inadequate Compliance with International Quality Standards & Regulatory Requirements	OBP may produce inadequate R&D outcomes, limiting product innovation, competitiveness, and access to new markets.	1. Insufficient product dossier data 2. Facilities/processes not GMP or GXP compliant 3. AGSA audit findings unresolved 4. ERP system gaps	Financial Sustainability Risk	Threat to going-concern status; constrained reinvestment and innovation	Strengthen financial discipline, cost control, and revenue generation	16	1. Dossier data generation. 2. ISO 9001 certification achieved 3. Audit action plan in place 4. Navision ERP implemented partially	8	1. Review & implement GMP roadmap. 2. Develop contract manufacturing framework 3. Conduct interim audits & close AGSA findings 4. Develop ERP upgrade project plan

Strategic Risk No.	Risk Name	Risk Description	Key Drivers/ Root Causes	Risk Category	Strategic Impact	Department of Agriculture Focus / Directive	IR	Controls in Place	RR	Management Action Plans
2.3	Reliance on Sole/ Single Raw Material Suppliers	Disruptions to critical inputs and production processes	Single-supplier dependencies, equipment downtime, utilities instability	Supply Chain & Operational Continuity Risk	Interrupted vaccine availability; unmet stakeholder needs	Improve supply chain resilience and business continuity planning	20	1. Ongoing R&D projects on alternative raw materials	10	1. Identify production critical raw materials. 2. Source and identify alternative suppliers for production critical raw materials
2.4	Inadequate Compliance with International Quality Standards & Regulatory Requirements	Failure to achieve and sustain GMP compliance and reliable vaccine production	Ageing infrastructure, delayed GMP upgrade, equipment failures, funding constraints	Production & GMP Compliance Risk	Inability to meet vaccine demand; loss of credibility; restricted exports	Accelerate GMP-implementation; restore sustainable vaccine production capacity	25	1. Current CAPEX plan in place. 2. Prioritisation of funds for critical projects 3. Preventive maintenance plan	18	1. Update CAPEX plan to address plant and infrastructure renewal 2. Develop and implement a funding model to secure resources for GMP upgrades 3. Integrate maintenance plan into upgraded ERP system
3.1	Loss of Market Share	Ongoing financial losses-	Declining sales volumes, high fixed costs, inefficiencies, delayed capital projects	Financial Sustainability Risk	Threat to going-concern status; constrained reinvestment and innovation	Strengthen financial discipline, cost control, and revenue generation	25	1. Partial implementation of sales & marketing strategy. 2. Development of new products	8	1. Fully implement sales & marketing strategy with adequate resources 2. Develop and approve a comprehensive R&D strategy for new products

Strategic Risk No.	Risk Name	Risk Description	Key Drivers/ Root Causes	Risk Category	Strategic Impact	Department of Agriculture Focus / Directive	IR	Controls in Place	RR	Management Action Plans
4.1	Inability to Supply Products to Meet Demand	Erosion of confidence among farmers, industry, and government	Missed production targets, weak communication, audit issues	Stakeholder & Reputational Risk	Reduced demand; strained government and industry relations	Restore confidence through transparency and performance improvement	25	1. Preventive maintenance plan 2. Capex Budget 3. Product prioritisation.	13	1. Integrate maintenance plan into upgraded ERP system 2. Infrastructure modernisation plan 3. Commission & validate two new freeze driers.
4.2	Outdated Business Continuity Plan	Inability to support national animal disease prevention and response	Vaccine shortages, production delays, reliance on imports	Biosecurity & National Disease Control Risk	Increased disease outbreaks; trade restrictions food security risks	Ensure OBP fulfils strategic national biosecurity mandate	20	Existing & updated BCP is in place	10	1. Review, approve, and implement an updated Business Continuity Plan aligned to best practices. 2. Conduct simulation tests annually 3. Update DRP
5.1	Inadequate Modern Infrastructure and Funding	Delays or failure in completing strategic capital projects (Infrastructure and Modernisation).	Poor project management, funding uncertainty, contractor performance	Infrastructure & Capital Project Risk	Prolonged production constraints; sunk costs	Strengthen capital project governance and oversight	16	1. Current CAPEX plan in place 2. Prioritisation of funds for critical projects	13	1. Update CAPEX plan to address plant renewal 2. Develop and implement a funding model to secure resources for upgrades





ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2026

Onderstepoort Biological Products SOC Ltd **2025/26**

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General Information

Annual Financial Statement for the year ended 31 March 2026 | OBP

Country of incorporation and domicile

South Africa

Nature of business and principal activities

Vaccine Production

Registered office

100 Soutpan Road, Onderstepoort, 0110

Business address

100 Soutpan Road, Onderstepoort, 0110

Postal address

Private Bag X07, Onderstepoort, Pretoria, Gauteng, 0110

Telephone Number

+27 12 522 1500

Email

info@obpvaccines.co.za

stakeholder@obpvaccines.co.za

Website

www.obpvaccines.co.za

Bankers'

First National Bank

Standard Bank (SA)

Bankers Address Standard Bank:

33 Baker Street, Rosebank, FNB: 134 Aramist Ave, Waterkloof Glen, Pretoria

Auditors

Auditor-General of South Africa (AGSA) | Registered Auditors

Auditors

Address 4 Daventry Street, Aurecon Centre, Lynwood Bridge Office

Park, Lynnwood Manor, Pretoria, 0001

Secretary

Adv. Peter Nthotso

Tax reference number

9558103140

Published **31 July 2026**

Audit, Risk and IT Committee Report

1. Members of the Audit, Risk and IT Committee

The members of the Audit, Risk and IT Committee are all independent non-executive directors of the entity and include:

Name	Date of Appointment	End of Term
Mr R Mahabeer (Chairperson)	1 November 2023	31 October 2026
Dr L Makuleni	1 November 2023	31 October 2026
Dr D Konar	1 November 2023	31 October 2026
Dr N Skeepers *	1 November 2023	15 December 2025

* Dr Skeepers passed away in December 2025.

Ms Sinovuyo Ntiyantiya attended by invitation from 18 December 2025.

2. Meetings held by the Audit Committee

The audit committee performs the duties laid upon it by Section 94(7) of the Companies Act 71 of 2008 of South Africa by holding regular meetings with key role players and by granting unrestricted access to the external auditors.

The committee is satisfied that the members thereof have the required knowledge and experience as set out in Section 94(5) of the Companies Act 71 of 2008 of South Africa and Regulation 42 of the Companies Regulation, 2011.

The committee held 4 scheduled meetings during 2026, and all the members of the committee attended all the meetings.

The Committee held 4 special meetings, and all members were in attendance at the meetings.

Internal audit was in attendance at all meetings of the ARIT committee.

3. Effectiveness of Internal Control

The Audit, Risk and IT Committee is committed to ensuring good governance and full compliance with relevant legislation and regulations as well as improvement in internal controls and the quality of reporting.

4. Internal Audit

The Internal audit function of OBP was conducted by Samba Solution for the period ending 31 March 2026. The function was fully operational throughout the current financial year.

5. Risk Management

While the Board is responsible for overall governance of risk, it has appointed the Audit, Risk and IT Committee to support it in discharging this responsibility. The Committee is satisfied that OBP has an ongoing risk management process, focused on identifying, assessing, managing and monitoring all known forms of significant risks across all operations. This has been in place for the year under review, and up to the date of approval of the Annual Financial Statements.

6. Evaluation of Financial Statements

The Audit, Risk and IT Committee has evaluated the Annual Financial Statements of OBP for the year ended 31 March 2026, and based on the information provided to the Committee, considers that it complies in all material respects with the requirements of the applicable legislation, regulations and standards governing disclosure and reporting on the Annual Financial Statements.

Audit, Risk and IT Committee Report

7. Reviews by the Audit, Risk and IT Committee

The Audit, Risk and IT Committee has:

- Reviewed the Annual Financial Statements and recommended for Board approval.
- Reviewed the Auditor-General of South Africa's management letter and management's response thereto.
- Reviewed changes in accounting policies and practices.
- Considered the risk management policy and plan, reviewed the effectiveness of the risk management activities, and identified key risks facing the entity.
- Reviewed the entity's compliance with legal and regulatory provisions.

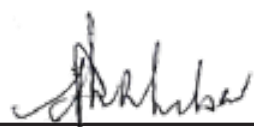
The Audit, Risk and IT Committee concurs with and accepts the Auditor-General of South Africa's report of the Annual Financial Statements and is of the opinion that the audited Annual Financial Statements should be accepted and be read together with the report of the Auditor-General of South Africa.

8. Level of Assurance

OBP applies a combined assurance model to provide assurance obtained from management and from internal and external assurance service providers. The Auditor-General South Africa audited the Annual Financial Statements for the 2025/26 financial year. OBP's financial, operating, compliance and risk management controls are assessed by the entity's management team, reviewed by internal audit on a risk basis, and overseen by the Audit, Risk and IT Committee.

The Audit, Risk and IT Committee discharged all functions delegated to it in its of their mandate and section 94(7) of the Companies Act 71 of 2008.

OBP has been audited in terms of the requirements of Regulation 28(1)(2) and 30(2) of the Companies Regulations of the Companies Act 71 of 2008 which provides that, in addition to public companies and state owned companies (SOC), where the audit of any other company is desirable in the public interest, as indicated by prescribed criteria in any particular financial year, the Annual Financial Statements (AFS) of that company must be audited.



Mr. Rajesh Mahabeer
Chairperson of the Audit, Risk and IT Committee

Integrated Annual Report

Directors' Responsibilities and Approval

The directors are required under the Companies Act 71 of 2008 of South Africa 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 entity 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 International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board. The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

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

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

The directors have reviewed the entity's cash flow forecast for the year to 31 March 2027, and, in light of this review and the current financial position, they are satisfied that the entity has or had access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the entity's annual financial statements. The annual financial statements have been examined by the entity's external auditors, and their report is presented on pages 100 to 109

The annual financial statements set out on pages 114 to 159, which have been prepared on the going concern basis, were approved by the board of directors on 31 May 2026 and were signed on their behalf by:

Signed on behalf of the Board of Directors By:



Prof. PL Mabeta
Chairperson of the Board

Entity Secretary's Certification

In terms of Section 88(2)(e) of the Companies Act 71 of 2008 of South Africa, as amended, I certify that the entity has lodged with the Commissioner all such returns as are required of a public company in terms of the Act and that all such returns are true, correct and up to date.



Advocate Peter Nthotso
Company Secretary

Report of the auditor-general to Parliament on Onderstepoort Biological Products SOC Ltd

Qualified opinion

1. I have audited the financial statements of the Onderstepoort Biological Products (OBP) set out on pages 114 to 159, which comprise the statements of financial position as at 31 March 2026, statement of profit or loss and other comprehensive income, statement of changes in equity and the statement of cash flow for the year then ended, as well as notes to the financial statements, including material accounting policy information.
2. In my opinion, except for the effects and possible effects of the matters described in the basis for qualified opinion section of this auditor's report, the financial statements present fairly, in all material respects, the financial position of the OBP as at 31 March 2026 and its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards (IFRS) and the requirements of the Public Finance Management Act of 1999 (PFMA) and the Companies Act 71 of 2008.

Basis for qualified opinion

Inventories and cost of sales

3. Inventories and cost of sales were not measured in accordance with the requirements of IAS 2 *Inventories*, as the cost of production were not allocated as required by the standard. I was unable to determine the full extent of the incorrect allocation of cost on inventory and cost of sales, stated at R159 245 726 (2025: R112 612 617) in note 6 to the financial statements, and the related cost of sales, stated at R226 541 231 (2025: R102 366 207) in note 15 to the financial statements, as it was impracticable to do so. Consequently, I was unable to determine whether any adjustments relating to inventories and cost of sales were necessary. Additionally, there was an impact on the period and on the accumulated surplus.
4. I was unable to obtain sufficient appropriate audit evidence for adjustments and transactions recognised as part cost of sales, as the public entity did not have adequate systems, processes and controls in place to account for the adjustments. Consequently, I was unable to determine whether any adjustments was necessary to cost of sales stated at R226 541 231 (2025: R102 366 207) in note 15 to the financial statements.

Property, plant and equipment

5. In the prior year, the public entity incorrectly accounted for the change in estimate as required by IAS 8, *Accounting policies, estimates and errors*. The public entity performed a reassessment of the useful lives and residual values for property, plant and equipment and incorrectly accounted for the change in estimate as a prior period error, resulting in a restatement of the comparative figures as disclosed to the financial statements. Consequently, the buildings included in note 3 to the financial statements as a comparative figure, was overstated by R19 360 409 while depreciation was overstated by R11 164 020. Additionally, there was an impact on the loss for the year and accumulated surplus.

Prior period error note

6. I was unable to obtain sufficient appropriate audit evidence for the prior period adjustments as included in the prior period error note. As described in note 36 to the financial statements, the retrospective adjustments were made to correct prior period errors but the restatement could not be substantiated by supporting audit evidence. I was unable to confirm the prior period adjustments by means. Consequently, I was unable to determine whether any adjustments were necessary to the corresponding figures and related balances.

Context for opinion

7. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the responsibilities of the auditor-general for the audit of the financial statements section of my report.
8. I am independent of the public entity in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
9. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Emphasis of matters – Restatement of corresponding figures

10. I draw attention to the matter below note 36 to the financial statements indicates that the previously issued financial statements of public entity for the year ended 31 March 2025 have been revised and reissued and provides reasons for the amendments.
11. My opinion is not modified in respect of this matters

Responsibilities of the accounting authority for the financial statements

12. The accounting authority is responsible for the preparation and fair presentation of the financial statements in accordance with the IFRS and the requirements of the PFMA; and for such internal control as the accounting authority determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
13. In preparing the financial statements, the accounting authority is responsible for assessing the public entity's ability to continue as a going concern; disclosing, as applicable, matters relating to going concern; and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the public entity or to cease operations, or has no realistic alternative but to do so.

Integrated Annual Report

Responsibilities of the auditor-general for the audit of the financial statements

14. My 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 my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
15. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report. This description, which is located at page 108, forms part of my auditor's report.

Report on the annual performance report

16. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance information against predetermined objectives for the selected material performance indicators presented in the annual performance report. The accounting authority is responsible for the preparation of the annual performance report.
17. I selected the following material performance indicators related to development, manufacturing and distribution of animal vaccines to the market through advanced and innovative technological solutions presented in the annual performance report for the year ended 31 March 2026. I selected those indicators that measure the public entity's performance on its primary mandated functions and that are of significant national, community or public interest.
 - % volumes sold (Doses)
 - Number of new product dossiers submitted to registrar of Act 36 of 1947 for registration annually
 - Number of product dossiers submitted to international markets annually
 - Number of new product launches
 - Number of dossiers for diversified products submitted to registrar of Act 36 of 1947 for Registration
 - Number of new distribution channels opened
 - Number of farmer training interventions
 - % adherence to production plan
 - GMP roadmap tabled and approved implemented

18. I evaluated the reported performance information for the selected material performance indicators against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the public entity's planning and delivery on its mandate and objectives.
19. I performed procedures to test whether:
- the indicators used for planning and reporting on performance can be linked directly to the public entity's mandate and the achievement of its planned objectives
 - all the indicators relevant for measuring the public entity's performance against its primary mandated and prioritised functions and planned objectives are included
 - the indicators are well defined to ensure that they are easy to understand and can be applied consistently, as well as verifiable so that I can confirm the methods and processes to be used for measuring achievements
 - the targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated
 - the indicators and targets reported on in the annual performance report are the same as those committed to in the approved initial or revised planning documents
 - the reported performance information is presented in the annual performance report in the prescribed manner
 - there is adequate supporting evidence for the achievements reported and for the reasons provided for any over- or underachievement of targets.
20. I performed the procedures to report material findings only; and not to express an assurance opinion or conclusion.
21. The material findings on the reported performance information for the selected material indicators are as follows:

% volume sold (doses)

22. The indicator was not well defined during the planning process. The method of calculation set by management on the annual performance plan was not aligned to the definition of the indicator as the indicator name is % of volumes sold, however the method of calculation was $(\text{current year doses sold} - \text{prior year doses sold}) \div \text{prior year doses sold} \times 100$. Consequently, the indicator is not useful for measuring and reporting on progress against planned objectives.

Integrated Annual Report

Other matters

23. I draw attention to the matters below.

Achievement of planned targets

24. The annual performance report includes information on reported achievements against planned targets and provides explanations for over- or under- achievements. This information should be considered in the context of the material findings on the reported performance information.
25. The tables that follows provides information on the achievement of planned targets and lists the key indicators that were not achieved as reported in the annual performance report. The reasons for any underachievement of targets are included in the annual performance report on pages 79 to 91.

Outcome 2: Sustainable financial growth

<i>Targets achieved: 80%</i>		
Key indicator not achieved	Planned target	Reported achievement
Number of new product dossiers submitted to registrar of Act 36 of 1947 for registration annually	3	1

Outcome 5: Improved infrastructure and facilities

<i>Targets achieved: 0%</i>		
Key indicator not achieved	Planned target	Reported achievement
GMP roadmap tabled and approved implemented	GMP Roadmap Tabled and Approved	GMP roadmap not tabled

Material misstatements

26. I identified preventable material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information for development, manufacturing and distribution of animal vaccines to the market through advanced and innovative technological solutions. Management did not correct the misstatements and I reported material findings in this regard.

Report on compliance with legislation

27. In accordance with the PAA and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting authority is responsible for the public entity's compliance with legislation.
28. I performed procedures to test compliance with selected requirements in key legislation in accordance with the findings engagement methodology of the Auditor-General of South Africa (AGSA). This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.
29. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the public entity, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.
30. The material findings on compliance with the selected legislative requirements, presented per compliance theme, are as follows:

Annual financial statements

31. The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework and supported by full and proper records, as required by section 55(1) (a) and (b) of the PFMA.
32. Material misstatements of related parties, cash flows statement, taxation and commitments identified by the auditors in the submitted financial statements were corrected, but the uncorrected material misstatements and supporting records that could not be provided resulted in the financial statements receiving a qualified opinion.

Expenditure management

33. Effective and appropriate steps were not taken to prevent irregular expenditure, as required by section 51(1)(b) (ii) of the PFMA. As reported in the basis for the qualified opinion the value disclosed in note 33 of the financial statements does not reflect the full extent of the irregular expenditure incurred. The majority of the irregular expenditure disclosed in the financial statements was caused by management not following the supply chain management processes.

Consequence management

34. I was unable to obtain sufficient appropriate audit evidence that disciplinary steps were taken against officials who had incurred irregular and fruitless and wasteful expenditure as required by section 51(1)(e)(iii) of the PFMA. This was because investigations into irregular and fruitless and wasteful expenditure were not performed.

Other information in the annual report

35. The accounting authority is responsible for the other information included in the annual report which includes the directors' report, the audit committee's report and the company secretary's certificate, as required by the Companies Act of South Africa. The other information referred to does not include the financial statements, the auditor's report and those selected material indicators in the scoped-in core function presented in the annual performance report that have been specifically reported on in this auditor's report.
36. My opinion on the financial statements and my reports on the audit of the annual performance report and compliance with legislation do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.
37. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements and the selected material indicators in the scoped-in core function presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
38. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

Internal control deficiencies

39. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.
40. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the qualified opinion, and the findings on the selected material indicators included in the annual performance report and the material findings on compliance with legislation included in this report.
41. The public entity did not implement proper record keeping to ensure that complete, relevant and accurate information was accessible and available in a timely manner to support financial and performance information and compliance processes. The public entity did not prepare regular, accurate and complete financial and performance reports that are supported and evidenced by reliable information.
42. The public entity did not adequately review and monitor compliance with applicable laws and regulations, which resulted in non-compliance with legislation being identified during the audit.

Auditor - General

Pretoria

31 July 2026



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure to the auditor's report

The annexure includes the following:

- The auditor-general's responsibility for the audit
- The selected legislative requirements for compliance testing

Auditor-general's responsibility for the audit

Professional judgement and professional scepticism

As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on reported performance information for selected material performance indicators and on the public entity's compliance with selected requirements in key legislation.

Financial statements

In addition to my responsibility for the audit of the financial statements as described in this auditor's report, I 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 my 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 public entity's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- conclude on the appropriateness of the use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the public entity to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause a public entity to cease operating as a going concern.

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

Communication with those charged with governance

I communicate with the accounting authority regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide the accounting authority with a statement that I have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.

Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows:

#	Selected legislation and regulations	Consolidated firm level requirements
1	Public Finance Management Act 1 of 1999	Section 50(3)(a); 50(3)(b); 51(1)(a)(iii); 51(1)(b)(i); 51(1)(b)(ii); 51(1)(e)(iii); 52(b); 54(2)(c); 54(2)(d); 55(1)(a); 55(1)(b); 55(1)(c)(i); 56; 57(b); 66(3)(b)
2	Treasury Regulations, 2005	Regulation 29.1.1; 29.1.1(a); 29.1.1(c); 29.2.1; 29.2.2; 29.3.1; 31.1.2(c); 31.2.5; 31.2.7; 33.1.1; 33.1.3
3	Companies Act 71 of 2008	Section 45(2); 45(3)(a)(ii); 45(3)(b)(i); 45(3)(b)(ii); 45(4); 46(1)(a); 46(1)(b); 46(1)(c); 112(2)(a); 129(7)
4	Construction Industry Development Board Regulations, 2004	Regulation 17; 25(7A)
5	National Treasury SCM Instruction No. 03 of 2021/22	Paragraph 4.2
6	Preferential Procurement Policy Framework Act 5 of 2000	Section 1; 2.1(a); 2.1(f)
7	Preferential Procurement Regulations, 2022	Regulation 4.1; 4.2; 4.3; 4.4; 5.1; 5.2; 5.3; 5.4
8	Prevention and Combating of Corrupt Activities Act 12 of 2004	Section 34(1)

Integrated Annual Report

Directors' Report

The directors take pleasure in submitting their report on the annual financial statements of Onderstepoort Biological Products SOC Ltd for the year ended 31 March 2026.

1. Nature of business

Onderstepoort Biological Products SOC Ltd was incorporated in South Africa with interests in the Manufacturing industry. The entity operates in South Africa.

The entity's primary mandate is to assist its shareholder in preventing and controlling animal disease which impacts food security, human health and livelihoods, in South Africa. Its business model is to develop and produce biological solutions, smart digital solutions for animal health and managed distribution solutions.

OBP manufactures vaccines for the animal health care industry, primarily in South Africa and several other countries. Sales volumes are correlated to disease outbreaks, preventative and legislated vaccination programmes. OBP produces the widest range of livestock products in Africa and competes with large multinational pharmaceutical companies for both local and foreign business.

The domicile and registered address of Onderstepoort Biological Products SOC Ltd is:
100 Old Soutpan Road
Onderstepoort
0110.

There have been no material changes to the nature of the entity's business from the prior year.

The annual financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and the requirements of the Companies Act 71 of 2008 of South Africa. The accounting policies have been applied consistently compared to the prior year, unless otherwise indicated.

2. Review of financial results and activities

The annual financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and the requirements of the Companies Act 71 of 2008 of South Africa. The accounting policies have been applied consistently compared to the prior year, unless otherwise indicated.

2.1. Revenue

During the period under review the revenue increased by R223 million (120%) to R409.4 million (2024/25: R186.4 million). This significant increase is as a result of increase in sales volumes of 23% from the previous year.

The export market has seen an increased demand in the last quarter of 2025/26 but due to the Middle East conflict, the shipping of the products had to be delayed.

The launch of the new Respiclos vaccine for cattle will broaden the product offering in-line with expected market demand.

2.2. Gross margin

Applying full absorption costing to products sold, indicated the gross margin as 44.66% for the current year (2024/25: 45.07%). The gross margin percentage was maintained even though there was a significant shift in the product mix.

2.3. Dividends

Due to the substantial investments required to upgrade OBP's facilities for GMP compliance, all profits are reinvested. Therefore, OBP has not declared any dividends, nor has a dividend policy been approved by the shareholder.

Directors' Report

2.4. Taxation

OBP is a registered income taxpayer, and taxation has been provided as disclosed in Note 27 to the annual financial statements.

3. Financial Position

3.1. Equity

The shareholding and shareholders have remained unchanged.

3.2. Liabilities

The current liabilities consist mainly of trade payables which increased by 22.0% (R12.4 million).

Non-current liabilities include R452.8 million (98% of total non-current liabilities) in deferred grant funding, which will be released to Profit and Loss over the life of the asset it funded.

3.3. Non-Current Assets

During the year R7 million was invested in property plant and equipment, which included two freeze driers, which will be deployed for commercial batches in the 2026/27 financial year.

3.4. Current Assets

Current assets increased by R141.7 million (29.3%) of which Cash and cash equivalents contributed R98.9 million and inventory R46.6 million. Cash and cash equivalents make up 70.0% of current assets.

4. Going concern

The Annual Financial Statements follow going concern accounting policies. 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 Directors have assessed the entity's financial resources to continue operating for the foreseeable future against the liabilities disclosed and have concluded that they are adequate. The directors have satisfied themselves that the entity is in a sound financial position and that it has access to sufficient cash and cash equivalents to meet its foreseeable requirements.

Current assets exceed current liabilities by 5:1 (2024/25: 7.8:1). The entity continues to maintain a positive net asset position, with total assets exceeding liabilities by R500.6 million.

The directors are unaware of any material changes that could adversely affect the entity. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the entity, which have not been disclosed.

5. Funding

The entity generates funds from the sales of vaccines to meet operational requirements and receives no funding for normal operations from the government.

OBP has been granted project-specific funding from several sources. This is disclosed in Note 10 to the annual financial statements.

Directors' Report

6. Environment, health and safety

Due to the nature of the entity's operations it is imperative that the entity comply with environmental, health, and safety laws and regulations. The entity also strives to comply with ethical and international standards regarding livestock. To manage and control these risks, a Safety Committee was in place during the year. Activities in this regard are detailed in the Corporate Governance Report in the annual report.

7. Events after reporting date

No events after reporting date occurred which would materially alter the financial status of the entity.

8. Materiality and Significance Framework

A materiality and significance framework has been developed for reporting losses resulting from criminal conduct, irregular, fruitless, or wasteful expenditure, or significant transactions that require ministerial approval, as outlined in Section 54(2) of the PFMA. The latest framework was approved in April 2026 and incorporates the audited annual financial statements, resulting in overall materiality values of R1.641 million for 2025/26 and R1.855 million for 2026/27.

9. Directorate

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

Directors	Office	Designation	Nationality
Prof. PL Mabeta	Chairperson	Non-executive	South African
Mr MJ Kgobokoe	Other	Non-executive	South African
Dr. N Skeepers *	Other	Non-executive	South African
Mr R Mahabeer	Other	Non-executive	South African
Ms S Ntiyantiya	Other	Non-executive	South African
Dr. L Makuleni	Other	Non-executive	South African
Dr. D Konar	Other	Non-executive	South African

*Dr Skeepers passed away in December 2025 – her position has not been filled.

The current Board's term ends on 31 October 2026.

10. Directors' interests in contracts

All directors have declared that they do not have any conflict of interest relating to any business dealings of Onderstepoort Biological Products SOC Ltd.

11. Ownership

The entity is wholly owned by the Government, represented by the Minister of the Department of Agriculture as the Executive Authority.

12. Special resolutions

The entity made no special resolutions of significance to shareholders during this reporting period.

Directors' Report

13. Audit, Risk and IT Committee

The Audit, Risk and IT Committee met eight times during the year and has, in accordance with its adopted Charter, reviewed the internal and external audit reports for the previous and current financial years and the Annual Financial Statements as at 31 March 2026.

Samba Solutions Inc will serve as Internal Auditors until their contract ends in 2027.

14. National Key Point

Onderstepoort Biological Products SOC Ltd was declared a National Key Point on 22 January 2007.

15. Auditors

The Auditor-General of South Africa (AGSA) continued in office as external auditors for the entity for 2026 in accordance with section 188(1)(c) of the Constitution, section 4(1) of the Public Audit Act of 2004 and section 62 of the Public Finance Management Act of 1999. The appointment of external auditors follows the Companies Act 71 of 2008.

16. Secretary

The company secretary is Advocate Peter Nthotso.

Postal address: Private Bag X07
Onderstepoort
0110

Business address: 100 Old Soutpan Road
Onderstepoort
0110

The annual financial statements set out on pages 11 to 53, which have been prepared on the going concern basis, were approved by the board of directors on 31 May 2026, and were signed on its behalf by:

Approval of annual financial statements



Chairperson
31 May 2026

Integrated Annual Report

Statement of Financial Position as at 31 March 2026

Figures in Rand	Notes	2026	2025 Restated *	2024 Restated *
Assets				
Non-Current Assets				
Property, plant and equipment	3	443,955,178	453,661,114	421,966,220
Right-of-use assets	4	343,823	-	273,194
Intangible assets	5	1,208,001	1,730,523	2,446,273
Deferred tax	11	8,689,864	-	-
		454,196,866	455,391,637	424,685,687
Current Assets				
Inventories	6	159,245,726	112,612,617	99,731,652
Trade and other receivables	7	28,530,078	29,443,176	28,273,004
Cash and cash equivalents	8	438,122,914	339,230,971	458,531,091
Current tax receivable	27	-	2,954,881	-
		625,898,718	484,241,645	586,535,747
Total Assets		1,080,095,584	939,633,282	1,011,221,434
Equity and Liabilities				
Equity				
Share capital	9	1,000	1,000	1,000
Retained income		500,625,387	438,887,141	445,021,680
		500,626,387	438,888,141	445,022,680
Liabilities				
Non-Current Liabilities				
Lease liabilities	4	155,828	-	-
Deferred income	10	452,760,766	427,754,490	438,812,632
Deferred tax	11	-	11,138,223	13,654,660
		452,916,594	438,892,713	452,467,292
Current Liabilities				
Deferred income	10	42,468,900	5,274,610	7,782,787
Trade and other payables	12	68,552,665	56,167,798	89,746,392
Lease liabilities	4	200,369	-	288,474
Provisions	13	410,020	410,020	1,351,351
Current tax payable	27	14,920,649	-	14,562,458
		126,552,603	61,852,428	113,731,462
Total Liabilities		579,469,197	500,745,141	566,198,754
Total Equity and Liabilities		1,080,095,584	939,633,282	1,011,221,434

Statement of Profit or Loss and Other Comprehensive Income

Figures in Rand	Notes	2026	2025 Restated *
Revenue	14	409,355,525	186,352,480
Cost of sales	15	(226,541,231)	(102,366,207)
Gross profit		182,814,294	83,986,273
Other operating income	16	7,872,877	8,035,884
Other operating gains (losses)	17	3,305,355	(8,801,672)
Movement in credit loss allowances	7	724,664	(431,629)
Research and development costs	18	(2,756,131)	(2,480,931)
Repairs and maintenance	19	(8,994,758)	(13,611,098)
Selling and distribution expenses	20	(4,557,273)	(6,612,342)
General and administrative expenses	21	(55,990,434)	(36,925,716)
Depreciation, amortisation and impairment losses	22	(7,718,830)	(6,216,543)
Personnel expenses	23	(46,236,771)	(46,095,320)
Computer expenses	24	(3,053,491)	(4,741,765)
Operating profit (loss)		65,409,502	(33,894,859)
Investment income	25	19,937,222	25,410,412
Finance costs	26	(30,577)	(166,529)
Profit (loss) before taxation		85,316,147	(8,650,976)
Taxation	27	(23,577,901)	2,516,437
Profit (loss) for the year		61,738,246	(6,134,539)
Other comprehensive income		-	-
Total comprehensive income (loss) for the year		61,738,246	(6,134,539)

Integrated Annual Report

Statement of Changes in Equity

Figures in Rand	Share capital	Retained income	Total equity
Opening balance as previously reported	1,000	377,206,495	377,207,495
Adjustments			
Prior period error	-	67,815,185	67,815,185
Restated* Balance at 01 April 2024 as restated	1,000	445,021,680	445,022,680
Loss for the year	-	(6,134,539)	(6,134,539)
Other comprehensive income	-	-	-
Total comprehensive Loss for the year	-	(6,134,539)	(6,134,539)
Balance at 01 April 2025	1,000	438,887,141	438,888,141
Profit for the year	-	61,738,246	61,738,246
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	61,738,246	61,738,246
Balance at 31 March 2026	1,000	500,625,387	500,626,387

Notes

9

Statement of Cash Flows

Figures in Rand	Notes	2026	2025 Restated *
Cash flows from operating activities			
Cash receipts from customers		418,647,408	183,637,809
Grants, donations and transfers received		67,755,565	-
Cash paid to suppliers and employees		(374,735,536)	(259,283,768)
Cash generated from/(used in) operations		111,667,437	(75,645,959)
Interest income	25	19,901,221	22,045,828
Finance costs	26	(30,577)	(17,880)
Tax paid		(25,494,458)	(17,517,339)
Net cash from operating activities		106,043,623	(71,135,350)
Cash flows from investing activities			
Purchase of property, plant and equipment	3	(7,032,082)	(49,052,051)
Proceeds from sale of property, plant and equipment	3	-	1,175,755
Cash flows from financing activities			
Cash repayments on lease liabilities	4	(119,598)	(288,474)
Total cash movement for the year		98,891,943	(119,300,120)
Cash and cash equivalents at the beginning of the year		339,230,971	458,531,091
Cash and cash equivalents at the end of the year	8	438,122,914	339,230,971

Accounting Policies

1. Material accounting policies

Management has considered the principles of materiality in IFRS Practice Statement 2 Making Materiality Judgements, and only those accounting policies which are considered material have been presented in these annual financial statements.

1.1 Basis of preparation

The annual financial statements have been prepared on the going concern basis in accordance with, and in compliance with, International Financial Reporting Standards (IFRS) and the IFRS Interpretations Committee's ("IFRS IC"), interpretations issued and effective at the time of preparing these annual financial statements, the Companies Act 71 of 2008 of South Africa as amended, and the Treasury Regulations and the Public Finance Management Act 1 of 1999 (PFMA).

The annual financial statements comply with the requirements of the South African Institute of Chartered Accountants ("SAICA") Financial Reporting Guides as issued by the Accounting Practices Committee, and the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council.

The annual financial statements have been prepared on the historic cost convention, unless otherwise stated in the accounting policies which follow and incorporate the material accounting policies set out below. They are presented in Rands, which is the entity's functional currency.

These accounting policies are consistent with the previous period.

1.2 Significant judgements and sources of estimation uncertainty

The preparation of annual financial statements in conformity with IFRS requires management, from time to time, to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Critical judgements in applying accounting policies

The critical judgements made by management in applying accounting policies, apart from those involving estimations, that have the most significant effect on the amounts recognised in the financial statements, are outlined as follows:

1.2.1 Deferred tax assets and liabilities

Onderstepoort Biological Products (SOC) Ltd ("OBP") recognises deferred tax assets if it is probable that sufficient taxable income will be available in the future against which the temporary differences and unused tax losses can be utilised. Management has considered future taxable income in assessing whether deferred tax assets should be recognised.

1.2.2 Indirect productions costs

Production costs of finished goods are determined using a full absorption costing methodology and include direct production costs such as raw materials, consumables, and labour, as well as production overheads such as depreciation and maintenance. Fixed production overheads are allocated to conversion costs based on the normal operating capacity of the production facilities, while variable production overheads are allocated based on the actual level of production. Any unallocated fixed overheads arising from low production levels or idle capacity are recognised as expenses in the period in which they are incurred, and the allocation of fixed overheads per unit is not increased by reduced production. Changes in the assumptions used to determine production overheads, including normal capacity, utilisation levels, and production lead times, may affect the valuation of inventory and the gross margin recognised in profit or loss.

Key sources of estimation uncertainty

Accounting Policies

Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The entity uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the entity's past history, existing market conditions, as well as forward-looking estimates at the end of each reporting period. For details of the key assumptions and inputs used, refer to the individual notes addressing financial assets.

Allowance for slow moving, damaged and obsolete inventory

Management assesses inventory at each reporting date to identify slow-moving, damaged or obsolete items by comparing the carrying amount of inventory to its net realisable value. Net realisable value represents the estimated selling price in the ordinary course of business, less than the estimated costs of completion and costs necessary to make the sale. Where the carrying amount exceeds net realisable value, inventory is written down accordingly. Such write-downs are recognised as an expense in cost of sales in the period in which they arise.

Several assets and liabilities of the company are either measured at fair value, or disclosure is made of their fair values.

Observable market data is used as inputs to the extent that it is available. Qualified external valuers are consulted for the determination of appropriate valuation techniques and inputs.

The company reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. When such indicators exist, management determine the recoverable amount by performing value in use and fair value calculations. These calculations require the use of estimates and assumptions. When it is not possible to determine the recoverable amount for an individual asset, management assesses the recoverable amount for the cash generating unit to which the asset belongs.

Useful lives of property, plant and equipment

Management assesses the appropriateness of the useful lives of property, plant and equipment at the end of each reporting period. The useful lives of motor vehicles, furniture and computer equipment are determined based on entity replacement policies for the various assets. Individual assets within these classes, which have a significant carrying amount are assessed separately to consider whether replacement will be necessary outside of normal replacement parameters. The useful life of manufacturing equipment is assessed annually based on factors including wear and tear, technological obsolescence and usage requirements.

When the estimated useful life of an asset differs from previous estimates, the change is applied prospectively in the determination of the depreciation charge.

1.3 Property, plant and equipment

Property, plant and equipment are tangible assets which the entity holds for its own use or for rental to others and which are expected to be used for more than one year. An item of property, plant and equipment is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the entity, and the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost. Cost includes all of the expenditure which is directly attributable to the acquisition or construction of the asset.

Expenditure incurred subsequently for major services, additions to, or replacements of, parts of property, plant and equipment is capitalised if it is probable that future economic benefits associated with the expenditure will flow to the entity and the cost can be measured reliably. the year they occur.

Accounting Policies

1.3 Property, plant and equipment (continued)

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 entity. Leased assets are depreciated in a consistent manner over the shorter of their expected useful lives and the lease term. Depreciation is not charged to an asset if its estimated residual value exceeds or is equal to its carrying amount. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale or derecognised.

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

Item	Depreciation method	Average useful life
Buildings - Own improvements	Straight line	5 to 50 years
Buildings - Demountable partitions	Straight line	5 to 50 years
Furniture and fixtures	Straight line	3 to 40 years
Motor vehicles	Straight line	3 to 20 years
Office equipment	Straight line	4 to 30 years
IT equipment	Straight line	2 to 40 years
Manufacturing equipment	Straight line	5 to 50 years

The entity performs an annual physical verification of property, plant and equipment, during which a high-level assessment of the condition of assets is conducted. Each asset is assigned a condition rating based on a standardised grading scale ranging from very good to very poor.

The condition assessment forms a key input in the review of the remaining useful lives (RUL) of assets. The current year's condition ratings are compared to those from the prior year to assess whether the estimated useful lives remain appropriate or require adjustment.

The review of RUL is performed at the beginning of each financial year, and any adjustments are affected prior to the calculation of depreciation. Based on the outcome of this assessment:

- An extension of 24 month of RUL for assets maintained in good or very good condition, within acceptable benchmarks.
- An extension of 12 month of RUL for assets maintained in in poor or very poor condition but still in use.

Where applicable, an average adjustment factor is applied to extend the useful lives of qualifying assets. The condition of the asset is considered the primary driver in determining any revisions to useful lives.

Specific attention is given to assets, including buildings, with a remaining useful life of 24 months or less at the end of the reporting period. Where justified, these assets are reassessed, and their useful lives are extended to prevent them from reaching the end of their useful life within the financial year under review.

Where there are no significant changes in the condition of assets compared to prior assessments, no adjustments to the remaining useful lives are made. This process ensures that depreciation is calculated based on the most accurate and up-to-date estimates, reflecting the actual condition and expected usage of the assets.

The depreciation charge for each year is recognised in profit or loss unless it is included in the carrying amount of another asset. 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 profit or loss to bring the carrying amount in line with the recoverable amount.

In accordance with IAS 36 Impairment of Assets, the entity assessed indicators of impairment of its property, plant and equipment at the reporting date. As part of this process, the entity considered both external and internal sources of information, including market conditions, operational performance, and future cash flow projections.

Accounting Policies

Based on this assessment, indicators of impairment were identified for the current reporting period. Accordingly, impairment losses have been recognised in respect of property, plant and equipment during the year (prior year: nil).

Should there be any changes in circumstances or indicators of impairment in future periods, the entity reassesses the recoverable amount of affected assets in line with IAS 36 requirements.

Profit or losses on disposals of property, plant and equipment are determined by comparing proceeds with the carrying amount and are included in operating profit in the statement of profit or loss and other comprehensive income. An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal and also written off. When an asset is derecognised, any profit or loss—determined by comparing the net disposal proceeds with the asset's carrying amount is

1.4 Intangible assets

An intangible asset is recognised when:

- it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and
- the cost of the asset can be measured reliably.

Intangible assets are initially recognised at cost.

Patents and licences

Patents and licences, including acquired patents and licences for in-process research and development projects, are carried at historical cost less accumulated amortisation and any impairment loss. Amortisation is calculated using the straight-line method to allocate the cost of patents and licences over their estimated useful lives. Estimated useful life is the shorter of the legal duration and the economic useful life. The estimated useful life of intangible assets is regularly reviewed. The amortisation of patents and licenses begins after regulatory approval is obtained, which is the point in time at which the intangible asset becomes available for use in the production of the product.

When assessing whether an internally generated intangible asset qualifies for recognition, it is required that the related internal development project is at a sufficiently advanced stage and that the project is economically viable. Amortisation is calculated using the straight-line method over the estimated useful life of 2 to 11 years. The amortisation commences when the asset is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Intangible assets are subsequently measured at cost less any accumulated amortisation and impairment losses.

Item	Depreciation method	Average useful life
Patents	Straight line	3 years
Trademarks	Straight line	10 years
Computer software	Straight line	2 to 15 years

The useful life and amortisation method of intangible assets are reviewed at the end of each reporting 9 Months. No material changes were made.

Accounting Policies

1.5 Financial instruments

Financial instruments held by the entity are classified in accordance with the provisions of IFRS 9 Financial Instruments. Broadly, the classification possibilities, which are adopted by the entity, as applicable, are as follows:

Financial assets which are debt instruments:

- Amortised cost. (This category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is met by holding the instrument to collect contractual cash flows); or
- Fair value through other comprehensive income. (This category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is achieved by both collecting contractual cash flows and selling the instruments); or
- Mandatorily at fair value through profit or loss. (This classification automatically applies to all debt instruments which do not qualify as at amortised cost or at fair value through other comprehensive income); or
- Designated at fair value through profit or loss. (This classification option can only be applied when it eliminates or significantly reduces an accounting mismatch).

Financial liabilities:

- Amortised cost; or
- Designated at fair value through profit or loss. (This classification option can be applied when it eliminates or significantly reduces an accounting mismatch; the liability forms part of a group of financial instruments managed on a fair value basis; or it forms part of a contract containing an embedded derivative and the entire contract is designated as at fair value through profit or loss).

All regular-way purchases or sales of financial assets are recognised and derecognised on a trade-date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace

The material accounting policies for each type of financial instrument held by the company are presented below:

1.5.1 Cash and cash equivalents

Cash and cash equivalents are stated at carrying amount which is deemed to be fair value.

Cash and cash equivalents comprise of cash on hand, deposits held at call with banks, and investment deposits managed by different banks maturing within 12 months and readily convertible into known amounts of cash and are subject to an insignificant risk of change in value. Cash and cash equivalents are disclosed at fair value. Movement in the fair value of deposits is recognised in the Statement of Financial Performance.

1.5.2 Trade and other receivables

Trade and other receivables, excluding, when applicable, VAT and prepayments, are measured, subsequent to initial recognition, at amortised cost.

The amortised cost is the amount recognised on the receivable initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

The accounting policy for impairment of trade and other receivables is set out in the loss allowances and write offs accounting policy.

1.5.3 Trade and other payables

Trade and other payables, excluding VAT and amounts received in advance, are classified as financial liabilities subsequently measured at amortised cost.

Accounting Policies

Recognition and measurement

They are recognised when the entity becomes a party to the contractual provisions and, at initial recognition, are measured at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost using the effective interest method. The effective interest method calculates the amortised cost of a financial liability and allocates interest expense over time. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

If trade and other payables contain a significant financing component, and the effective interest method results in the recognition of interest expense, then it is included in profit or loss.

1.5.4 Trade and other payables denominated in foreign currencies

When trade payables are denominated in a foreign currency, the carrying amount of the payables is determined in the foreign currency. The carrying amount is then translated to the Rand equivalent using the spot rate at the end of each reporting period. Any resulting foreign exchange gains or losses are recognised in profit or loss in the other operating gains (losses).

1.5.5 Reclassification of financial instruments

The company only reclassifies affected financial assets if there is a change in the business model for managing financial assets. If a reclassification is necessary, it is applied prospectively from the reclassification date. Any previously stated gains, losses or interest are not restated.

The reclassification date marks the start of the first reporting period after a business model change that requires reclassification.

Financial liabilities are not reclassified.

1.6 Tax

Current tax assets and liabilities

Current taxes for current and prior periods are, 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.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the tax base used for taxation purposes.

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 profit will be available against which the deductible temporary difference can be utilised.

A deferred tax asset is recognised for the carry forward of unused tax losses to the extent that it is probable that future taxable profit will be available against which they can be utilised.

Accounting Policies

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

The deferred tax rate applied to assets is determined by the expected manner of recovery. Where the expected recovery of the asset is through sale, the capital gains tax rate is applied. The normal tax rate is applied when the expected recovery is through use. A combination of these rates is applied if the recovery is expected to be partly through use and sale.

Tax expenses

The income tax expense consists of current and deferred tax and is recognised in profit or loss.

Current and deferred taxes are recorded as income or expenses in profit or loss for the period, unless the tax results from:

- a transaction or event which is recognised, in the same or a different period, to other comprehensive income.

The tax on profit or loss for the period comprises current and deferred tax including adjustments to previous years. Tax is recognised in the Statement of Profit or Loss, except to the extent that it relates to items recognised directly in the Statement of Changes in Net Assets.

1.7 Leases

The entity assesses whether a contract is, or contains a lease, at the inception of the contract. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The entity assesses whether a contract is, or contains a lease, at the inception of the contract. In order to assess whether a contract is, or contains a lease, management determines whether the asset under consideration is "identified", which means that the asset is either explicitly or implicitly specified in the contract and that the supplier does not have a substantial right of substitution throughout the period of use. Once management has determined that the contract relates to an identified asset, the right to control its use is considered. To this end, control over the use of an identified asset only exists when the entity has the right to substantially all of the economic benefits from the use of the asset as well as the right to direct the use of the asset.

In circumstances where the determination of whether the contract is or contains a lease requires significant judgement, the relevant disclosures are provided in the significant judgments and sources of estimation uncertainty section of these accounting policies.

Entity as lessee

The entity applies a single recognition and measurement approach for all leases. The business recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

A lease liability and corresponding right-of-use asset are recognised at the lease commencement date, for all lease agreements for which the company is a lessee, except for short-term leases of 12 months or less, or leases of low value assets. For these leases, the company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Lease liability

Lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the entity uses its incremental borrowing rate.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect lease payments made. Interest charged on the lease liability is included in finance costs.

Accounting Policies

Right-of-use assets

Right-of-use assets are presented as a separate line item on the Statement of Financial Position.

They are measured initially at the initial amount of the lease liability plus upfront payments and initial direct costs.

Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated, from the commencement date, over the shorter period of the lease term and the useful life of the underlying asset.

Refer to the accounting policy for property, plant and equipment for details of useful lives of underlying assets.

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting period. No material changes were made.

1.8 Inventories

Inventories are measured at cost initially.

Inventories are measured at the lower of cost and net realisable value on the cost which is determined using the weighted average cost basis.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of inventories of items that are not ordinarily interchangeable, and goods or services produced and segregated for specific projects is assigned using specific identification of the individual costs.

A full absorption costing methodology is applied in determining the cost of inventories throughout the production process, incorporating all direct and indirect production costs incurred in bringing inventory to its present location and condition. The weighted average cost method is used as the cost formula to assign costs to inventory items and to determine the cost of sales and closing inventory.

Write-downs and reversals of write-downs of inventories are included as part of the cost of goods sold.

All normal wastage costs are expensed within the cost of sales and all vaccines that failed quality control at different testing stages are disposed of and accounted for as expenses. Abnormal wastage is expensed immediately.

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, is recognised as a reduction in the carrying amount of inventories recognised as an expense in the period in which the reversal occurs.

There were no inventories held at year-end pledged as security for liabilities.

1.9 Impairment of assets

The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. If the recoverable amount cannot be determined for an individual asset, it is determined for the cash-generating unit to which the asset belongs.

Impairment losses are recognised immediately in profit or loss.

Accounting Policies

1.10 Share capital and equity

Equity instruments issued by the entity are recognised at the proceeds received, net of direct issue costs.

1.11 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

Bonus payments are recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

Defined contribution plans

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

OBP operates a defined contribution plan and the contributions to such defined contribution plan is charged to the Statement of Profit or Loss and Other Comprehensive Income in the year to which they relate. The plans are administered by the Government Employee Pension Fund and Alexander Forbes Fund, and the entity has no further payment obligations once the contributors have been paid.

1.12 Provisions and contingencies

The entity recognises provisions in circumstances where it has a present obligation resulting from past events, which can be measured reliably and for which it is probable that the entity will be required to settle the obligation.

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement shall be recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement shall be treated as a separate asset. The amount recognised for the reimbursement shall not exceed the amount of the provision.

If an entity has an onerous contract that meets the recognition criteria, the present obligation under the contract shall be recognised and measured as a provision.

Contingent assets and contingent liabilities

Contingent liabilities are possible obligations that arise 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 control of the entity.

Contingent liabilities are not recognised unless they are probable. Contingencies are disclosed in the notes to the financial statements.

Contingent assets and contingent liabilities are not recognised. Only material contingent assets (greater than R1.5 million) are disclosed. Contingencies are disclosed in note 30.

Accounting Policies

1.13 Government grants

Government grants are recognised when there is reasonable assurance that:

- the entity will comply with the conditions attached to them if any; and
- the grants will be received

The government grants are accounted for as per IAS 20.24- grant relating to assets; recognised as income over the periods necessary to match them with the related costs that they are intended to compensate. All grants presented on the Annual Financial Statements are grants relating to assets.

A grant relating to assets may be presented in one of two ways: [IAS 20.24]

- as deferred income,
- or by deducting the grant from the asset's carrying amount.
- OBP applies the deferred income method to the recognition and presentation of government grants related to assets.

1.13.1 Government grant - Recapitalisation

The grant relates to the funding received from the National Treasury for OBP's Recapitalisation programme. The grant is recognised in the Statement of Profit or Loss once the related asset is commissioned in line with the amortisation of the asset.

1.13.2 Government grant – Corporatisation of OBP

The grant arose from the transfer of assets and the passing of the liabilities from the Department of Agriculture, Land Reform and Rural Development to the entity at inception. The land and buildings which the entity occupies were transferred from the Department of Public Works to the entity during the 2006 financial year.

The government grant is presented in the Statement of Financial Profit or Loss recording it as deferred income. The deferred income is recognised as income on a systematic and rational basis over the useful life of the asset.

1.13.3 Government grant - Research and Development

The Tshwane Animal Health Innovation Cluster (TAHIC) grant refers to the amounts received by OBP from TAHIC to fund OBP's research projects. This deferred income will be recognised as income on a systematic and rational basis over the duration of the research in the Statement of Profit or Loss.

1.14 Revenue from contracts with customers

The entity recognises revenue from the following major sources:

- Sales of animal vaccines.

Revenue is income arising in the course of OBP's ordinary activities and is measured based on the consideration specified in a contract with a customer, excluding amounts collected on behalf of third parties. Revenue is recognised when OBP transfers control of promised goods or services to customers in an amount that reflects the consideration to which OBP expects to be entitled. Revenue comprises sales of goods and services rendered to customers and is recognised at the invoice amount, excluding value added tax and discounts.

The entity entered into a major contract with the Department of Agriculture, Land Reform and Rural Development for the supply of Foot and Mouth Disease (FMD) vaccine following the outbreak of the FMD disease in South Africa in April 2022.

Accounting Policies

Sale of animal vaccines

For sales of animal vaccine goods to the wholesale market, revenue is recognised when control of the goods has transferred, which is when the goods have been shipped to the wholesaler's specific location. Following delivery, the wholesaler has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility when on selling the goods and bears the risks of obsolescence and loss in relation to the goods. A receivable is recognised by the entity when the goods are delivered to the wholesaler as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due. No element of financing is deemed present, as sales are made on a 30-day credit term, which is consistent with market practice

1.15 Investment in income

Interest is recognised as revenue using the effective interest rate method.

1.16 Other income

Other income comprises discounts received from early settlement, rental arising from rental income property and other recurring or non-recurring income. These incomes are recognised on accrual or cash basis in accordance with the terms and substance of the relevant agreement.

1.17 Cost of sales

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, is recognised as a reduction in the carrying amount of inventories recognised as an expense in the period in which the reversal occurs.

The related cost of providing services recognised as revenue in the current period is included in cost of sales.

Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average cost method. Net realisable value represents the estimated selling price less all estimated costs of completion.

Write downs and reversals of write downs of inventories are included as part of the cost of goods sold.

1.18 Borrowing costs

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

1.19 Translation of foreign currencies

Foreign currency transactions

A foreign currency transaction is recorded, on initial recognition in Rands, by applying the foreign currency amount to the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

The date of a transaction is the date on which it first qualifies for recognition under IFRS. For practical reasons, a rate that approximates the actual rate at the date of the transaction is often used, for example, an average rate for a week or a month might be used for all transactions in each foreign currency occurring during that period. However, if exchange rates fluctuate significantly, the use of the average rate for a period is inappropriate.

Accounting Policies

IFRIC 22

Applying paragraphs 21–22 of IAS 21, the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it) is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration.

If there are multiple payments or receipts in advance, the entity shall determine a date of the transaction for each payment or receipt of advance consideration.

Refer to the individual accounting policies for financial instruments for the detailed foreign exchange accounting policies.

1.20 Irregular or fruitless and wasteful expenditure

Irregular expenditure relates to expenditure incurred in contravention of, or not in accordance with Section 55(2)(b)(i) of the PFMA Act 1 of 1999 and published Treasury Regulations. Fruitless and wasteful expenditure relates to expenditure that was made in vain and would have been avoided had reasonable care been exercised. All irregular, fruitless and wasteful expenditure is charged against income in the period it was incurred.

1.21 Commitments

Capital commitments represent future capital expenditure for which the entity has entered into contractual agreements as at the reporting date, but for which the related asset has not yet been received or rendered, and therefore no liability has been recognised in the financial statements.

Capital commitments are not recognised as liabilities, as they do not meet the recognition criteria in terms of IAS 37. However, they are disclosed in the financial statements when the amount is contractually committed.

Capital commitments are measured at the contracted amounts, exclusive of VAT.

Capital commitments are disclosed in the notes to the financial statements under Note 29.

Notes to the Annual Financial Statements

2. New Standards and Interpretations

2.1 Standards and interpretations effective and adopted in the current year

The entity has adopted the following new and amended International Financial Reporting Standards (IFRS) and interpretations issued by the International Accounting Standards Board (IASB) that became effective for the current financial year. The adoption of these standards did not have a material impact on the recognition or measurement of items in the financial statements unless otherwise stated.

Standard/ Interpretation:	Effective date: Annual periods beginning on or after	Expected impact:
Amendments to IAS 21 – The Effects of Changes in Foreign Exchange Rates (Lack of Exchangeability)	01 January 2025	The adoption of this amendment did not have a material impact on the entity's financial statements.

2.2 Standards and interpretations issued but not yet effective

The entity has not early adopted the following new and amended standards and interpretations that have been issued by the IASB but are not yet effective for the current reporting period. The entity will adopt these standards when they become effective. Management is currently assessing the impact of these standards on the entity's financial statements.

Standard/ Interpretation:	Effective date: Annual periods beginning on or after	Expected impact:
IFRS 19 – Subsidiaries without Public Accountability: Disclosures	01 January 2027	This standard permits eligible subsidiaries to apply IFRS recognition and measurement requirements while applying reduced disclosure requirements. The entity will assess the applicability of the standard. It is not expected to have a material impact on the financial statements.
IFRS 18 – Presentation and Disclosure in Financial Statements	01 January 2027	This standard introduces new requirements for the presentation and disclosure of financial information in the financial statements. Management is currently assessing the impact. The standard is expected to affect presentation and disclosure but is not expected to materially affect recognition or measurement.
Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards	01 January 2026	Not expected to have a material impact as the entity is not a first-time adopter of IFRS.
Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures – Classification and Measurement of Financial Instruments	01 January 2026	Management does not expect these amendments to have a material impact on the entity's financial statements.
Amendments to IAS 7 Statement of Cash Flows	01 January 2026	Management does not expect these amendments to have a material impact on the entity's financial statements.

Management does not expect the adoption of the above standards and amendments to have a material impact on the entity's financial statements.

Notes to the Annual Financial Statements

3. Property, plant and equipment

	2026			2025		
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Land	5,105,340	-	5,105,340	5,105,340	-	5,105,340
Buildings	93,208,634	(50,677,233)	42,531,401	93,058,096	(46,909,309)	46,148,787
Furniture and fixtures	5,287,807	(2,269,725)	3,018,082	4,578,837	(1,461,557)	3,117,280
Motor vehicles	1,502,302	(1,133,601)	368,701	1,502,302	(926,233)	576,069
Office equipment	344,547	(265,974)	78,573	344,547	(217,208)	127,339
Computer equipment	9,251,945	(5,829,294)	3,422,651	7,867,272	(4,672,593)	3,194,679
Manufacturing equipment	191,939,251	(95,155,827)	96,783,424	157,861,624	(84,485,213)	73,376,411
Capital - Work in progress	292,647,006	-	292,647,006	322,015,209	-	322,015,209
Total	599,286,832	(155,331,654)	443,955,178	592,333,227	(138,672,113)	453,661,114



Notes to the Annual Financial Statements

3. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2026

	Opening balance	Additions	Disposals	Transfers	Depreciation	Impairment loss	Total
Land	5,105,340	-	-	-	-	-	5,105,340
Buildings	46,148,787	150,538	-	-	(3,042,085)	(725,839)	42,531,401
Furniture and fixtures	3,117,280	711,573	(13,717)	-	(797,054)	-	3,018,082
Motor vehicles	576,069	-	-	-	(207,368)	-	368,701
Office equipment	127,339	-	(8,960)	-	(39,806)	-	78,573
Computer equipment	3,194,679	1,425,563	(102,985)	-	(1,094,606)	-	3,422,651
Manufacturing equipment	73,376,411	1,526,407	(2,567,130)	32,586,204	(7,036,489)	(1,101,979)	96,783,424
Capital - Work in progress	322,015,209	3,218,001	-	(32,586,204)	-	-	292,647,006
	453,661,114	7,032,082	(2,692,792)	-	(12,217,408)	(1,827,818)	443,955,178

Reconciliation of property, plant and equipment - 2025

	Opening balance	Additions	Disposals	Transfers	Depreciation	Impairment loss	Total
Land	5,105,340	-	-	-	-	-	5,105,340
Buildings	49,804,811	49,986	-	-	(3,706,010)	-	46,148,787
Furniture and fixtures	2,779,962	242,438	(7,159)	176,635	(74,596)	-	3,117,280
Motor vehicles	844,288	-	-	-	(268,219)	-	576,069
Office equipment	142,869	-	(201)	-	(15,329)	-	127,339
Computer equipment	3,335,273	879,399	(178,523)	-	(841,470)	-	3,194,679
Manufacturing equipment	79,115,007	4,483,399	(4,122,689)	864,125	(6,963,431)	-	73,376,411
Capital - Work in progress	281,159,140	43,396,829	(1,500,000)	(1,040,760)	-	-	322,015,209
	422,286,690	49,052,051	(5,808,572)	-	(11,869,055)	-	453,661,114

Notes to the Annual Financial Statements

3. Property, plant and equipment (continued)

Property, plant and equipment encumbered as security

No property, plant or equipment was pledged or encumbered as security.

Changes in estimates

During the current financial year, management reassessed the remaining useful lives of certain classes of property, plant and equipment based on their actual condition, utilisation patterns and expected future economic benefits. This reassessment resulted in a revision of depreciation estimates for selected asset categories, principally manufacturing equipment, IT equipment and furniture and fixtures. The change in estimate reduced depreciation expense for the current year by approximately R0.826 million, comprising manufacturing equipment (R0.388 million), IT equipment (R0.224 million), furniture and fixtures (R0.136 million), motor vehicles (R0.065 million) and office equipment (R0.013 million). The revised useful lives have been applied prospectively in accordance with IAS 8, with no adjustment made to prior period comparative figures.

Other information

Registers with details of land and buildings are available for inspection by shareholders or their duly authorised representatives at the registered office of the entity.

4. Right-of-use assets and Leases (entity as lessee)

The entity has the option to purchase the leased equipment at a nominal amount on completion of the lease term.

Details pertaining to leasing arrangements, where the entity is lessee are presented below:

	2026			2025		
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Office equipment	475,795	(131,972)	343,823	546,388	(546,388)	-

Figures in Rand	2026	2025
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Net carrying amounts of right-of-use assets

The carrying amounts of right-of-use assets are included in the following line items:

Office equipment	343,823	-
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Additions to right-of-use assets

Office equipment	475,795	-
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Depreciation recognised on right-of-use assets

Depreciation recognised on each class of right-of-use assets, is presented below. It includes depreciation which has been expensed in the total depreciation charge in profit or loss (note 22), as well as depreciation which has been capitalised to the cost of other assets.

Office equipment	131,972	273,194
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Notes to the Annual Financial Statements

Figures in Rand	2026	2025
4. Right-of-use assets and Leases (entity as lessee) (continued)		
Other disclosures		
Interest expense on lease liabilities	30,577	17,880
Lease liabilities		
Lease liabilities have been included in the borrowings line item on the statement of financial position. Refer to note Borrowings. The maturity analysis of lease liabilities is as follows:		
Within one year	180,210	-
Two to five years	210,246	-
	390,456	-
Less finance charges component	(34,259)	-
	356,197	-
Non-current liabilities	155,828	-
Current liabilities	200,369	-
	356,197	-

The leases pertain to office equipment and have a contractual term of three years, with an incremental borrowing rate of 9% (linked to the 3-year RSA Retail Bond as at the inception date, 1 June 2025) applied consistently throughout the year. All leases are structured with fixed repayment schedules, and no provisions have been made for contingent rental arrangements.

5. Intangible assets

	2026			2025		
	Cost / Valuation	Accumulated amortisation	Carrying value	Cost / Valuation	Accumulated amortisation	Carrying value
Computer software	7,719,737	(6,511,736)	1,208,001	7,719,737	(5,989,214)	1,730,523
Reconciliation of intangible assets - 2026				Opening balance	Amortisation	Total
Computer software				1,730,523	(522,522)	1,208,001
Reconciliation of intangible assets - 2025				Opening balance	Amortisation	Total
Computer software				3,647,641	(1,917,118)	1,730,523

Pledged as security

No intangible assets were pledged or encumbered as security.

Changes in estimates

During the current financial year, management reassessed the remaining useful lives of computer software based on their actual condition, utilisation patterns and expected future economic benefits. This reassessment resulted in a revision of depreciation estimates. The change in estimate reduced depreciation expense for the current year by approximately R0.193 million. The revised useful lives have been applied prospectively in accordance with IAS 8, with no adjustment made to prior period comparative figures.

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Notes to the Annual Financial Statements

Figures in Rand	2026	2025
6. Inventories		
Raw materials, components	6,418,810	5,954,216
Work in progress	90,615,251	78,436,706
Finished goods	54,277,356	18,706,126
Maintenance spares	108,799	85,279
Packaging materials	10,640,213	7,513,667
Consumables	4,097,394	3,319,785
Other agricultural produce	842,413	803,646
	167,000,236	114,819,425
Inventories (write-off)	(7,754,510)	(2,206,808)
	159,245,726	112,612,617

Stock write-offs in the current year arose from in-year adjustments identified during stock counts, as well as year-end adjustments following the assessment of inventory at the lower of cost and net realisable value.

The amount of inventories recognised as an expense during the year and included in cost of sales amounted to R226,541,231 (2025: R102,336,207).

Inventory pledged as security No inventory was pledged or encumbered as security.

7. Trade and other receivables		
Financial instruments:		
Trade receivables	11,165,446	20,362,063
Accrued income	3,364,584	-
Loss allowance	(866,857)	(1,591,521)
Trade receivables at amortised cost	13,663,173	18,770,542
Deposits	115,382	115,382
Other receivables	642,829	184,353
Non-financial instruments:		
VAT	11,521,658	9,158,509
Staff debtors	2,400	80,174
Prepaid expenditure	2,584,636	1,134,216
Total trade and other receivables	28,530,078	29,443,176

Financial instrument and non-financial instrument components of trade and other receivables

At amortised cost	14,421,384	19,070,277
Non-financial instruments	14,108,694	10,372,899
	28,530,078	29,443,176

Trade and other receivables pledged as security

No trade and other receivables were pledged as security.

Exposure to credit risk

The following table provides information about the exposure to credit risk and ECL's for trade receivable from individual customers as at 31 March 2026:

Notes to the Annual Financial Statements

7. Trade and other receivables (continued)

31 March 2026	Weighted average loss rate	Gross carrying amount	Loss allowance	Credit impaired
0 - 30 days	- %	10,185,217	-	No
31 - 60 days	- %	79,524	-	No
61 - 90 days	50.00 %	67,695	33,847	No
91 - 120 days	100.00 %	7,043	7,043	Yes
More than 120 days past due	100.00 %	825,967	825,967	Yes
		11,165,446	866,857	

31 March 2025	Weighted average loss rate	Gross carrying amount	Loss allowance	Credit impaired
0 - 30 days	- %	11,776,098	-	No
31 - 60 days	- %	6,991,282	-	No
61 - 90 days	50.00 %	6,325	3,163	No
91 - 120 days	100.00 %	6,325	6,325	Yes
More than 120 days past due	100.00 %	1,582,033	1,582,033	Yes
		20,362,063	1,591,521	

Exposure to currency risk

Refer to note 28 for details of currency risk management for trade receivables.

Fair value of trade and other receivables

Due to the short-term nature of the current receivables, their carrying amount is considered to be the same as their fair value.

Trade receivables impaired

As of 31 March 2026, trade and other receivables of R866,857 (2025: R1,591,521) were impaired and provided for.

Management believes that all amounts more than 90 days past due are not collectable, based on historical payment behaviour.

The movement in the allowance for impairment in respect of trade receivables during the year was as follows:

Figures in Rand	2026	2025
Balance as at 1 April	1,591,521	1,159,892
Amounts written off	-	-
Net remeasurements of loss allowance	(724,664)	431,629
Balance as at 31 March	866,857	1,591,521

IFRS 9 allows an entity to use a simplified "provision matrix" for calculating expected losses as a practical expedient (e.g., for trade receivables), if consistent with the general principles for measuring expected losses. The provision matrix is based on an entity's historical default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates.

The entity applies the simplified impairment approach under IFRS 9 to measure lifetime expected credit losses for trade receivables.

The expected credit loss allowance is determined using a provision matrix based on historical credit loss experience, adjusted for forward-looking information and specific counterparty circumstances.

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Notes to the Annual Financial Statements

Figures in Rand	2026	2025
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7. Trade and other receivables (continued)

Forward-looking inputs considered in determining expected credit losses include:

- historical payment trends and collection experience;
- customer-specific creditworthiness;
- prevailing and forecast economic conditions;
- anticipated liquidity constraints affecting customers; and
- expected changes in the operating environment of significant customers.

Management assessed available forward-looking information at reporting date and concluded that no significant deterioration in the overall credit risk profile of trade receivables existed beyond the specific provisions recognised.

8. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	10,000	10,001
Bank balances	385,933,684	237,373,794
Short-term deposits	52,179,230	101,847,176
	438,122,914	339,230,971

Credit quality of cash at bank and short-term deposits, excluding cash on hand

The credit quality of cash at bank and short-term deposits, excluding cash on hand that are neither past due nor impaired can be assessed by reference to external credit ratings or historical information about counterparty default rates:

These credit ratings reflect the banks' capacity to meet their financial commitments and indicate investment-grade credit quality.

Credit rating (Moody's)

AAA.za	438,112,914	339,220,970
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Exposure to currency risk

Refer to note 28 Financial instruments and financial risk management for details of currency risk management for cash and cash equivalents.

9. Share capital

Authorised		
1000 Ordinary shares of R1 each	1,000	1,000
Issued		
1000 Ordinary shares of R1 each	1,000	1,000
10. Deferred income		
Deferred Research and Development Grant	9,407,372	9,628,958
Deferred Government Grant - Corporatisation of OBP SOC Ltd	-	99,430
Deferred Recapitalisation Grant	417,844,571	423,078,555
Other deferred income	67,977,723	222,157
	495,229,666	433,029,100

Notes to the Annual Financial Statements

Figures in Rand	2026	2025
10. Deferred income (continued)		
Split between non-current and current portions		
Non-current liabilities	452,760,766	427,754,490
Current liabilities	42,468,900	5,274,610
	495,229,666	433,029,100

Unfulfilled conditions and contingencies attached to government grants

Deferred recapitalisation grant

The grant is subject to utilisation for approved recapitalisation projects and must be applied exclusively toward qualifying capital expenditure. Recognition in profit or loss occurs only when the related assets are commissioned and depreciated over their useful lives. No repayment obligations existed at year-end provided the grant continues to be utilised for its intended purpose.

Deferred research and development grant

Recognition is conditional upon expenditure being incurred on approved research activities in accordance with the funding agreement. Any unspent funds may be subject to refund or reallocation in accordance with the grant conditions.

Deferred corporatisation grant

The grant is recognised over the remaining useful lives of the transferred assets. No unfulfilled conditions existed at year-end.

Other deferred income

Recognition is subject to fulfilment of the specific contractual conditions attached to each funding arrangement.

11. Deferred tax

Deferred tax liability

Deferred tax liability	8,689,864	(11,138,223)
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The deferred tax assets and the deferred tax liability relate to income tax in the same jurisdiction, where the law allows net settlement. Therefore, they have been offset in the statement of financial position as follows:

Deferred tax liability	8,689,864	(11,138,223)
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Reconciliation of deferred tax asset / (liability)

At beginning of year	(11,138,223)	(13,654,660)
(Decreases) / increase in tax loss available for set off against future taxable income - gross of valuation allowance	(3,260,226)	3,260,226
Provision for doubtful debts	(146,744)	87,405
Provision for obsolete stock	1,497,879	362,763
Income received in advance	19,254,814	(2,456,537)
Leased assets	(92,832)	73,762
Provision for leave pay	92,597	251,304
Lease liability	96,173	(77,888)
Prepaid expenses	(370,615)	(122,414)
Intangible assets	141,081	193,252
Property, plant and equipment	2,575,408	716,759
SARS Inrereset Section 7E	40,552	35,389
Prior year adjustments - Deferred tax	-	192,416
	8,689,864	(11,138,223)

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Notes to the Annual Financial Statements

Figures in Rand	2026	2025
12. Trade and other payables		
Financial instruments:		
Trade payables	26,741,590	9,720,567
Other payables *	436,208	376,782
Other accrued expenses	5,037,208	13,855,898
Debtors with credit balances	30,933,459	2,153,315
	63,148,465	26,106,562
Non-financial instruments:		
Amounts received in advance	223,958	25,223,946
Accrued leave pay	5,180,242	4,837,290
	5,404,200	30,061,236
	68,552,665	56,167,798

* Other payables relate to employers' liability for Workmen's Compensation (COIDA).

13. Provisions

Reconciliation of provisions - 2026

	Opening balance	Additions	Utilised during the year	Reversed during the year	Total
Asset decommissioning provision	410,020	-	-	-	410,020

Reconciliation of provisions - 2025

	Opening balance	Additions	Utilised during the year	Reversed during the year	Total
Asset decommissioning provision	1,351,351	-	(941,331)	-	410,020

The asset decommissioning provision relates to the decommissioning of the old freeze dryer.

The provision is recognised for the present value of the estimated costs to decommission and remove the existing freeze dryer and restore the site, arising from the replacement of the asset, in accordance with IAS 37.

The corresponding cost has been capitalised as part of the new freeze dryer in accordance with IAS 16. The asset is not yet available for use as of the reporting date and, therefore, depreciation has not commenced.

Notes to the Annual Financial Statements

Figures in Rand	2026	2025
14. Revenue		
Revenue from contracts with customers		
Sale of goods	409,355,525	186,352,480
Disaggregation of revenue from contracts with customers		
The entity disaggregates revenue from customers as follows:		
Sale of goods		
Sale of goods	416,443,114	203,116,183
Discount granted	(9,317,813)	(18,291,416)
Delivery services	2,230,224	1,527,713
	409,355,525	186,352,480
Timing of revenue recognition		
At a point in time		
Sale of goods	409,355,525	186,352,480

Nature of goods and services

The entity generates revenue primarily from the sale of vaccines and other biological products to domestic and international customers.

Performance obligations

Performance obligations are satisfied at a point in time when control of the products passes to the customer, which occurs upon delivery to the customer or collection by the customer, depending on the agreed contractual terms.

Delivery services, where separately charged, are recognised when the related delivery service has been rendered.

Payment terms

Standard payment terms range between 30 and 60 days from date of invoice. Certain export transactions may require advance payment or settlement in accordance with specific contractual arrangements.

The entity has concluded that customer contracts do not contain a significant financing component due to the short-term nature of payment arrangements.

Contract balances

The entity does not have material contract assets or contract liabilities at reporting date as revenue is recognised when goods are delivered and invoiced.

Variable consideration

Variable consideration arises primarily from trade discounts granted to customers. Such discounts are recognised as a reduction of revenue when the related sale are recognised.

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Notes to the Annual Financial Statements

Figures in Rand	2026	2025
15. Cost of sales		
Sale of goods	226,541,231	102,366,207
16. Other operating income		
Other rental income	1,605,798	809,397
Bad debts recovered	6,547	2,982
Other income	323,826	586,697
Learnership income	183,928	149,748
Discount received	197,779	386,605
Government grants	5,554,999	6,100,455
	7,872,877	8,035,884
17. Other operating gains (losses)		
Gains (losses) on disposals, scrappings and settlements		
Property, plant and equipment	3 (2,692,793)	(4,312,347)
Foreign exchange gains (losses)		
Net realised forex	4,127,512	(4,169,990)
Realisation of foreign currency translation reserve	1,870,636	(319,335)
	5,998,148	(4,489,325)
Total other operating gains (losses)	3,305,355	(8,801,672)
18. Research and development costs		
Research and development costs	2,756,131	2,480,931
19. Repairs and maintenance		
Repairs and Maintenance Equipment	8,924,228	13,553,852
Terrain Maintenance	70,530	57,246
	8,994,758	13,611,098
20. Selling and distribution expenses		
Advertising	257,190	26,700
Conference Seminar	161,765	75,369
Donation Sponsorships	32,500	30,000
Marketing expenses	2,012,707	3,793,148
Travel and Accom. Overseas	606,447	1,356,083
Travel and Accommodation	1,486,664	1,331,042
	4,557,273	6,612,342

Notes to the Annual Financial Statements

Figures in Rand		2026	2025
21. General and administrative expenses			
Accounting and Audit Services		3,463,292	3,591,916
Bad Debt Expenses		50,132	442,145
Bank Charges		193,530	226,630
Cleaning Materials		368,474	18,186
Consulting Contractors		7,255,709	1,194,268
Directors Fees		1,290,789	1,727,176
Electricity charges		3,587,389	2,730,947
Fuel and Motor Oil		237,298	296,795
Insurance		2,617,782	2,528,783
Legal Services		3,824,348	4,435,501
License & Registration Fees		313,976	55,711
Other overheads *		18,434,177	11,522,123
Printing and Stationery		345,060	235,079
Professional Fees		2,793,788	-
Professional Membership Fees		46,081	-
Rates and Taxes		1,212,019	1,072,179
Recruitment Costs		548,161	797,572
Rent - Equipment		191,852	39,959
Royalty on Blood Vaccines		-	6,996
Security		5,164,689	2,486,066
Subscription Fees		-	16,538
Sundry Expenses		-	9,981
Telephone and Fax		468,303	997,305
Training		941,581	1,723,723
Uniforms Protective Clothing		783,188	-
Vehicles Tracking		11,283	11,545
Water and Sanitation		1,847,533	758,592
		55,990,434	36,925,716
* Included under Other overheads are the following expenses			
Over/Under Absorbed Overheads		17,101,130	8,799,254
Other overheads		1,333,047	2,722,869
		18,434,177	11,522,123
22. Depreciation, amortisation and impairment losses			
Depreciation			
Property, plant and equipment	3	5,236,517	5,227,599
Right-of-use assets		131,972	273,194
		5,368,489	5,500,793
Amortisation			
Intangible assets		522,522	715,750
Impairment losses			
Property, plant and equipment		1,827,819	-
Total depreciation, amortisation and impairment			
Depreciation		5,368,489	5,500,793
Amortisation		522,522	715,750
Impairment losses		1,827,819	-
		7,718,830	6,216,543

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Notes to the Annual Financial Statements

Figures in Rand	2026	2025
23. Personnel expenses		
Employee costs		
Basic	37,063,360	37,758,728
Workmen's compensation	474,413	721,908
SDL	863,948	828,792
Leave pay provision charge	342,952	930,756
Overtime	6,339,491	5,073,325
Car Allowance	636,939	423,640
Retirement benefit plans	54,928	-
Long service award	460,740	358,171
	46,236,771	46,095,320
24. Computer expenses		
Computer costs	775,962	2,082,053
License fees	2,277,529	2,659,712
	3,053,491	4,741,765
25. Investment income		
Interest income		
Investments in financial assets:		
Bank and other cash	19,901,221	25,410,412
SARS Interest	36,001	-
Total interest income	19,937,222	25,410,412
Interest accrued of R3 364 584 (2025: Rnil) was received in the current year. Total interest received in the current year was R19 901 221 (2025: R25 410 412). The effective interest rates for the investments approximate the contractual rates, as there are no transaction costs, premiums, or discounts associated with the instruments.		
26. Finance costs		
Lease liabilities	30,577	17,880
Interest on asset decommissioning provision	-	148,649
Total finance costs	30,577	166,529

Notes to the Annual Financial Statements

Figures in Rand	2026	2025
27. Taxation		
Major components of the tax expense		
Current		
Local income tax - current period	43,405,989	-
Deferred		
Deferred tax	(19,828,088)	(2,516,437)
	23,577,901	(2,516,437)
Reconciliation of the tax expense		
Reconciliation between the applicable tax rate and the average effective tax rate.		
Applicable tax rate	27.00 %	27.00 %
Non-deductible expenses		
Research and development costs	0.67 %	(5.95)%
Donation and sponsorship	0.01 %	(0.09)%
Legal services	- %	(5.95)%
Repairs and maintenance equipment	- %	(2.06)%
Depreciation on buildings	0.96 %	(8.94)%
Exempt income		
Amortisation of deferred income	- %	13.62 %
Current portion of recapitalisation grant	- %	0.31 %
Research and development costs	(1.00)%	8.93 %
Other		
Prior year adjustments - Deferred tax	- %	2.22 %
	27.64 %	29.09 %

Notes to the Annual Financial Statements

28. Financial instruments and risk management

Categories of financial instruments

Categories of financial assets

2026

	Notes	Amortised cost	Total	Fair value
Trade and other receivables	7	14,421,384	14,421,384	14,421,384
Cash and cash equivalents	8	438,122,914	438,122,914	438,122,914
		452,544,298	452,544,298	452,544,298

2025

	Notes	Amortised cost	Total	Fair value
Trade and other receivables	7	19,070,277	19,070,277	19,070,277
Cash and cash equivalents	8	339,230,971	339,230,971	339,230,971
		358,301,248	358,301,248	358,301,248

Categories of financial liabilities

2026

	Notes	Amortised cost	Leases	Total	Fair value
Trade and other payables (financial instruments portion)	12	63,148,465	-	63,148,465	61,026,101
Lease liabilities	4	-	356,197	356,197	356,197
		63,148,465	356,197	63,504,662	61,382,298

2025

	Notes	Amortised cost	Leases	Total	Fair value
Trade and other payables (financial instruments portion)	12	26,106,562	-	26,106,562	26,106,562

Capital management

The entity's objective when managing capital (which includes share capital, borrowings (including lease liabilities), working capital and cash and cash equivalents) is to maintain a flexible capital structure that reduces the cost of capital to an acceptable level of risk and to safeguard the entity's ability to continue as a going concern while taking advantage of strategic opportunities in order to maximise stakeholder returns sustainably.

The entity monitors capital utilising a number of measures, including the gearing ratio. The gearing ratio is calculated as net borrowings (total borrowings less cash) divided by shareholders' equity.

Notes to the Annual Financial Statements

Figures in Rand		2026	2025
28. Financial instruments and risk management (continued)			
Lease liabilities	4	356,197	-
Trade and other payables	12	68,552,665	56,167,798
Total borrowings		68,908,862	56,167,798
Cash and cash equivalents	8	(438,122,914)	(339,230,971)
Net borrowings		(369,214,052)	(283,063,173)
Equity		500,626,387	438,888,141
Gearing ratio		(74)%	(64)%

Financial risk management

Overview

The entity is exposed to the following risks from its use of financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk (currency risk, interest rate risk and price risk).

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the entity. The entity is exposed to credit risk primarily from cash and cash equivalents, trade receivables and other financial assets.

Credit risk arises principally from cash and cash equivalents and trade receivables. The entity manages this risk by maintaining deposits with reputable financial institutions with strong credit ratings and by limiting exposure to any individual counterparty.

The entity manages its exposure to credit risk by maintaining balances with reputable financial institutions and by monitoring the creditworthiness of its counterparties.

Cash and cash equivalents are held with reputable financial institutions with strong credit ratings. At the reporting date, the entity maintained banking relationships with the following institutions:

Bank	Rating agency (National scale deposit rating)	Long-term credit rating	Short-term credit rating	Outlook
FirstRand Bank Limited (FNB)	Moody's	AAA.za	P-1.za	Stable
Standard Bank of South Africa Limited	Moody's	AAA.za	P-1.za	Stable

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Notes to the Annual Financial Statements

28. Financial instruments and risk management (continued)

The maximum exposure to credit risk is presented in the table below:

		2026			2025		
		Gross carrying amount	Credit loss allowance	Amortised cost / fair value	Gross carrying amount	Credit loss allowance	Amortised cost / fair value
Trade and other receivables	7	29,396,935	(866,857)	28,530,078	31,034,697	(1,591,521)	29,443,176
Cash and cash equivalents	8	438,122,914	-	438,122,914	339,230,971	-	339,230,971
		467,519,849	(866,857)	466,652,992	370,265,668	(1,591,521)	368,674,147

Liquidity risk

Liquidity risk is the risk that the entity will encounter difficulty in meeting obligations associated with financial liabilities as they fall due.

The entity's exposure to liquidity risk arises primarily from trade and other payables and lease obligations.

The entity manages liquidity risk through:

- maintenance of adequate cash reserves;
- continuous monitoring of actual cash flows against approved budgets; and
- oversight by management and the Board.

Liquidity risk is measured through cash flow forecasting and maturity profile analysis of financial liabilities. There were no significant changes in the entity's liquidity risk management processes compared to the prior year.

The maturity profile of contractual cash flows of non-derivative financial liabilities, and financial assets held to mitigate the risk, are presented in the following table. The cash flows are undiscounted contractual amounts.

2026					
		Within one year	Two to 5 years	Total	Carrying amount
Non-current liabilities					
Lease liabilities			-	-	155,828
Trade and other payables	12	63,148,465	-	63,148,465	63,148,464
Lease liabilities	4	155,828	200,369	356,197	356,197
		63,304,293	200,369	63,504,662	63,660,489

2025

		Within one year	Two to 5 years	Total	Carrying amount
Trade and other payables	12	26,106,562	-	26,106,562	26,106,561

Notes to the Annual Financial Statements

28. Financial instruments and risk management (continued)

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates.

The entity is exposed to foreign currency risk through export sales, import procurement transactions and foreign currency-denominated bank accounts held in USD and EUR.

The entity manages this risk through:

- monitoring exchange rate movements;
- matching foreign currency inflows and outflows where possible;
- maintaining foreign currency accounts; and
- entering into forward exchange contracts where appropriate.

Exposure is monitored through regular review of foreign currency balances and forecast foreign currency commitments.

There were no significant changes in foreign currency risk management from the prior year. At 31 March 2026, no forward exchange contracts were outstanding.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows associated with a financial instrument will fluctuate in amount as a result of changes in market interest rates.

All financial instruments attract interest at rates linked directly to the prime bank overdraft rate. The effective interest rate used by the entity is the prime interest rate.

In the case of debtors whose accounts are in arrears, it is endeavoured to collect such accounts by "levying of penalty charges", "demand for payment" and, as a last resort, "handed over for collection", whichever procedure is applicable in terms of the entity's debtor management policy.

All trade receivables and other debtors are individually evaluated annually at balance sheet date for impairment or discounting.

Interest rate sensitivity analysis

As the entity has no significant interest rate risk exposure at financial year-end, the effect of strengthening or weakening of the prime interest rate at balance sheet date is not considered material.

Price risk

The entity is not exposed to significant price risk as it does not hold quoted equity investments or commodity-linked financial instruments.

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Notes to the Annual Financial Statements

Figures in Rand	2026	2025
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29. Commitments

Authorised capital expenditure

Already contracted for but not provided for

• GMP	172,324,126	172,324,126
• Freeze Driers	-	17,639,530
• IT - ERP	12,004,890	-
• Equipment Other	6,960,459	1,673,369

The entity decided not to include operational commitments (contracts) in the authorised capital expenditure.

Capital commitments are disclosed in respect of contracted amounts for which delivery is outstanding at the accounting date, as well as the amount of contractual commitments for the acquisition of property, plant and equipment and intangible assets.

Capital commitments represent goods or services that have been ordered, but no delivery has taken place at the reporting date.

These amounts are not recognised in the statement of financial position as a liability or as expenditure in the statement of comprehensive income but are, however, disclosed as part of the disclosure notes.

Management expects these capital commitments to be financed from internally generated cash and other borrowings.

30. Contingencies

Contingent liabilities

Former employee vs OBP (damage to employee's vehicle)	1,000,000	1,000,000
DEC vs OBP	15,000,000	15,000,000
Former employee vs OBP (Allegations of unfair dismissal)	800,000	800,000
	16,800,000	16,800,000

Former employee vs OBP

One of the OBP employees damaged another employee's vehicle while parked on OBP premises. OBP is the second respondent. There is a high probability of incurring only legal costs. The other party intends to withdraw the case.

DEC contractor vs OBP

A contractor has instituted legal action against OBP, claiming contractual liability arising from the termination of a contract. Summons were served in March 2024, following which a notice of appearance to defend and a special plea were duly filed. The matter is pending the allocation of a court date. It is anticipated that both OBP and the contractor will likely incur legal costs; however, given that court proceedings have yet to commence, the outcome of the claim remains highly uncertain. Accordingly, the amount has been assessed as a contingent liability rather than a confirmed obligation.

OBP is applying to the High Court to have the initial tender awarded to the contractor set aside due to tender irregularities.

3rd party vs Registrar of Act 36 and OBP

A 3rd party is seeking order from court in relation to registration of Rift Valley Fever vaccine. The applicant submitted registration application also for Rift Valley Fever citing that the antigen was lawfully obtained. This application was opposed. The Court has dismissed applicant's case with costs on 12 March 2025. There is a high probability of incurring legal costs for both OBP and opponents.



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Figures in Rand	2026	2025
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Former employees vs OBP

Unfair Dismissal. Parties have filed papers. Awaiting Labour Court date. There is a high probability of incurring costs.

30. Contingencies (continued)

Contingent assets

A contingent asset is a possible asset 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 entity.

HH vs OBP	-	5,000,000
Third party v Registrar Act 36	4,000,000	-
	4,000,000	5,000,000

HH vs OBP

HH is a former service provider to OBP. OBP terminated the agreement under a "termination for convenience" clause. An Arbitration award in favour of OBP on 04 November 2024. HH will be paying the costs of this arbitration including the legal costs. There is a low probability of incurring costs.

Criminal investigations

Criminal investigation relating to theft of OBP equipment. SAPS investigation is underway. There is a low probability of incurring costs.

Notes to the Annual Financial Statements

Figures in Rand	2026	2025
31. Related parties		
Relationships		
Mr Mzwanele Nyhontso - Executive Authority	Minister of Agriculture Land Reform & Rural Development	
3B Public Entity with common Executive Authority	Onderstepoort Veterinary Institute (OVI).	
Department of Agriculture Land Reform & Rural Development (National & All Provinces)	Controlling Entity of OBP and entered into a contract with OBP to be supplied with the Foot and Mouth Disease (FMD) vaccine to the value of R87 million. Same Executive Authority (Minister of Agriculture) meaning both are under the same control.	
Agricultural Research Council (ARC)	Same Executive Authority (Minister of Agriculture) meaning both are under the same control.	
South African Veterinary Council	Same Executive Authority (Minister of Agriculture) meaning both are under the same control.	
Related party balances		
Amounts included in Trade Receivables		
Department of Agriculture, Rural Development, Land and Environmental Affairs - Mpumalanga	4,001,551	5,680
Agricultural Research Council (ARC)	-	704
	4,001,551	6,384
Amounts included in Trade Payables		
Agricultural Research Council (ARC)	(121,550)	(1,122,308)
Department of Agriculture Land Reform & Rural Development - National	(42,468,900)	-
	(42,590,450)	(1,122,308)
Related party transactions		
Sales to related parties		
Department of Agriculture, Rural Development, Land and Environmental Affairs - Mpumalanga	(21,868)	(4,939)
Agricultural Research Council (ARC)	(182,414)	(130,368)
Department of Agriculture Land Reform & Rural Development - National	(228,203,217)	(30,414,515)
Department of Agriculture and Rural Development - Limpopo	(3,339)	(8,623,482)
Department of Agriculture and Rural Development - Free State	(2,113,123)	(41,261)
Department of Agriculture Land Reform & Rural Development - Allerton Vet Lab	(69,851)	(20,453)
Department of Agriculture and Rural Development - North-West	(36,256)	(72,551)
Department of Rural Development and Agrarian Reform - Eastern Cape	(8,684)	-
	(230,638,752)	(39,307,569)
Purchases from related parties		
Agricultural Research Council (ARC)	20,485,755	17,952,389
Department of Agriculture Land Reform & Rural Development - National	34,324	32,278
South African Veterinary Council	9,270	-
	20,529,349	17,984,667
Compensation to directors		
Non-executive directors' emoluments	1,290,791	1,820,689
Executive directors' emoluments	7,166,168	12,130,359
	8,456,959	13,951,048

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Notes to the Annual Financial Statements

32. Directors' emoluments

Executive

31 March 2026

Directors' emoluments	Basic salary	Expense allowances	Other material benefits	Contribution paid under medical/pension scheme	Contributions of officer's liability insurance cover	Total
Services as director or prescribed officer						
Mr C Manickum (COO)	1,866,803	3,743	89,716	151,166	18,311	2,129,739
Dr. J Modumo (Business Development Officer) *****	1,781,769	-	153,829	-	18,311	1,953,909
Advocate P Nthotso (HLCS)	1,603,444	25,181	92,520	102,978	18,311	1,842,434
Dr NB Mokoena (Acting Chief Scientific Officer) *	-	8,714	169,570	-	16,749	195,033
Ms C De Jager (Acting CFO) **	-	-	116,950	-	12,006	128,956
Ms I Mulder (Interim CFO) ***	521,113	2,284	-	-	7,667	531,064
Mr JJ Botha (Interim CFO) ****	349,028	3,000	30,000	-	3,005	385,033
	6,122,157	42,922	652,585	254,144	94,360	7,166,168

*Dr NB Mokoena (Acting Chief Scientific Officer).

**Ms C De Jager (Acting CFO) May 2025 - November 2025.

***Ms I Mulder (Interim CFO) November 2025 to date.

****Mr JJ Botha (Interim CFO) deceased May 2025.

*****Dr J Modumo (Interim CEO) April to date.

Acting:

Acting directors or prescribed officers only received allowances and other material benefits.

Notes to the Annual Financial Statements

32. Directors' emoluments (continued)

31 March 2025

Directors' emoluments	Basic salary	Expense allowances	Other material benefits	Contributions paid under pension scheme	Contributions of officer's liability insurance cover	Total
Services as director or prescribed officer						
Mr C Manickum (COO)	1,794,150	3,925	-	143,875	13,359	1,955,309
Ms C Sheraton (Corporate Services) *****	1,445,764	-	-	115,820	11,916	1,573,500
Dr. B Ntshabele (Minister's representative) *	-	1,279	25,158	-	1,046	27,483
Ms KK Govender (Acting CFO) **	1,182,231	9,800	-	-	7,440	1,199,471
Ms E Govender (CFO) ***	1,329,038	-	184,899	-	7,935	1,521,872
Dr. J Modumo (Business Development Officer)	1,714,528	-	-	-	13,359	1,727,887
Dr. MB Nthangeni (CSO)	791,394	-	100,632	56,465	1,047	949,538
Dr. MB Nthangeni (Interim CEO) *****	1,639,946	-	-	121,122	12,312	1,773,380
Dr. NB Mokoena (Acting Chief Scientific Officer) *****	-	16,500	176,361	-	12,313	205,174
Advocate P Nthotso (HLCS) ****	863,762	7,559	-	-	8,223	879,544
Mr JJ Botha (Interim CFO) *****	311,419	3,000	-	-	2,782	317,201
	11,072,232	42,063	487,050	437,282	91,732	12,130,359

*Dr B Ntshabele was appointed as interim CEO from 1 November 2023 to 30 April 2024.

**Ms K Govender was appointed as interim CFO from 16 January 2023 to 30 April 2023.

***Ms E Govender (Chief Financial Officer) Resigned 6 November 2024.

***Advocate P Nthotso (HLCS) was appointed from 1 September 2024.

****Ms C Sheraton appointed CSE permanently from 1 October 2024 to February 2025.

*****Dr. MB Nthangeni was appointed as interim CEO from 1 May 2024 to 31 March 2025.

*****Mr JJ Botha was appointed Interim CFO from 6 February 2025.

Acting:

Acting directors or prescribed officers only received allowances and other material benefits.

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Notes to the Annual Financial Statements

32. Directors' emoluments (continued)

Non-executive

31 March 2026

Directors' emoluments	Fees	Contributions of officer's liability insurance cover	Total
Services as director or prescribed officer			
Prof. PL Mabeta	273,112	18,311	291,423
Dr. D Konar	256,371	18,311	274,682
Dr. N Skeepers *****	146,385	13,482	159,867
Mr. R Mahabeer	250,785	18,311	269,096
Mr MJ Kgobokoe	174,184	18,311	192,495
Ms S Ntiyantiya	9,958	18,311	28,269
Dr. L Makuleni	179,996	18,311	198,307
	1,290,791	123,348	1,414,139

*****Dr. N Skeepers deceased December 2025.

31 March 2025

Directors' emoluments	Fees	Contributions of officer's liability insurance cover	Total
Services as director or prescribed officer			
Prof. PL Mabeta	330,788	13,359	344,147
Dr. D Konar	292,399	13,359	305,758
Dr. N Skeepers	194,405	13,359	207,764
Mr R Mahabeer	402,142	13,359	415,501
Mr MJ Kgobokoe	248,925	13,359	262,284
Ms S Ntiyantiya	15,307	13,359	28,666
Dr. L Makuleni	243,210	13,359	256,569
	1,727,176	93,513	1,820,689

Notes to the Annual Financial Statements

33. Irregular, fruitless and wasteful expenditure

Figures in Rand	2026	2025
Reconciliation of irregular, fruitless and wasteful expenditure		
Irregular expenditure	4,456,779	3,589,722
Fruitless and wasteful expenditure	4,520,620	3,810,590
	8,977,399	7,400,312
Reconciliation of irregular expenditure		
Opening balance	3,589,722	3,152,694
Additions	867,057	437,028
	4,456,779	3,589,722
Incident		
15% National Treasury has been exceeded	233,137	437,028
Reconciliation of Fruitless and wasteful expenditure		
Opening balance	3,810,590	8,000
Additions	710,030	3,802,590
	4,520,620	3,810,590

34. Events after the reporting period

No events after the reporting period were identified by management that will significantly affect the entity's operating results.

35. Going concern

The Annual Financial Statements have been prepared in accordance with 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 Directors have assessed the entity's financial resources to continue operating for the foreseeable future against the liabilities disclosed and have concluded that they are adequate. The directors have satisfied themselves that the entity is in a sound financial position and that it has access to sufficient cash and cash equivalents to meet its foreseeable requirements.

Current assets exceed current liabilities by 5:1 (2024/25: 7.8:1). The entity continues to maintain a positive net asset position, with total assets exceeding liabilities by R500.6 million.

The directors are unaware of any material changes that could adversely affect the entity. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the entity, which have not been disclosed.

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Notes to the Annual Financial Statements

36. Prior period errors

The correction of the error(s) results in adjustments as follows:

Statement of financial position 31 March 2025	As previously reported	Correction of error	Restated
Non-current assets			
Property, plant and equipment	438,020,158	15,640,956	453,661,114
Intangible assets	3,440,031	(1,709,508)	1,730,523
Current assets			
Inventories	45,952,948	66,659,669	112,612,617
Current tax receivable	3,883,510	(928,629)	2,954,881
Equity			
Opening retained income	(377,206,495)	(67,815,185)	(445,021,680)
Loss for the year	15,828,800	(9,694,261)	6,134,539
Non-current liabilities			
Deferred income	(427,750,156)	(4,334)	(427,754,490)
Deferred tax	(8,989,516)	(2,148,707)	(11,138,223)
Current liabilities			
Trade and other payables	(56,167,797)	(1)	(56,167,798)
	(362,988,517)	-	(362,988,517)

Statement of financial performance 31 March 2025	As previously reported	Correction of error	Restated
Cost of sales	75,661,678	26,704,529	102,366,207
Other operating income	(8,992,579)	956,695	(8,035,884)
Other operating gains (losses)	9,280,419	(478,747)	8,801,672
Research and development costs	6,762,902	(4,281,971)	2,480,931
Repairs and maintenance	13,662,549	(51,451)	13,611,098
Selling and distribution expenses	6,611,992	350	6,612,342
General and administrative expenses	43,251,583	(6,325,867)	36,925,716
Depreciation, amortisation and impairment losses	6,012,704	203,839	6,216,543
Personnel Expenses	75,096,159	(29,000,839)	46,095,320
Taxation	(5,095,638)	2,579,201	(2,516,437)
	222,251,769	(9,694,261)	212,557,508

Property, plant and equipment, and Intangible assets

Following a comprehensive asset verification exercise and reassessment of remaining useful lives, prior period errors relating to asset recognition and measurement were identified and corrected. Property, plant and equipment increased by R15,640,956, reflecting assets that had previously been omitted or incorrectly recorded. Intangible assets were reduced by R1,709,508. The consequential adjustment to depreciation and amortisation amounted to an increase of R203,839, consistent with the corrected asset base and revised useful life assessments.

Notes to the Annual Financial Statements

36. Prior period errors (continued)

Cost of Sales

Following a detailed review of inventory costing and related expense allocations, prior period errors were identified in the recognition and measurement of inventory and associated expenditure. This resulted in an increase in cost of sales of R26,704,529. The correction also resulted in adjustments to personnel expenses of R23,558,100, general and administrative expenses of R29,000,839, research and development costs of R4,281,971, repairs and maintenance of R51,451, and inventories increasing by R66,659,669 in the statement of financial position. Selling and distribution expenses and other operating income were immaterially affected.

Other Corrections

Deferred income decreased by R4,334 as a result of minor prior period errors identified during the restatement process. The correction is not individually material.

Taxation

Following a detailed review of the tax computation and related balances, prior period errors were identified in the recognition and measurement of taxation balances. The correction arose from the reassessment of tax calculations and the application of the relevant tax treatment to previously misstated transactions and balances. The resulting adjustments have been recognised as corrections of prior period errors in accordance with the applicable financial reporting framework.

Integrated Annual Report

Onderstepoort Biological Products SOC Ltd **2025/26**

ACRONYMS

AAMP	Agriculture and Agro-processing Master Plan	IAS Code ICT	International Accounting Standards
AFS	Annual Financial Statements		Information and Communication Technology
AGSA	Auditor-General of South Africa	IESBA	International Code of Ethics for Professional Accountants code
ARC	Agricultural Research Council	IFRS	International Financial Reporting Standards
ARIT	Audit, Risk and Information Technology Committee	IFRS IC	International Financial Reporting Standards Interpretations Committee
BCP	Business Continuity Plan	IIRC	International Integrated Reporting Council
CFO	Chief Financial Officer	IR&D	Innovative, Research & Development
COO	Chief Operations Officer	ISA	International Standards on Auditing
CSE	Corporate Services Executive	IT	Information Technology
CSI	Corporate Social Investment	MTEF	Medium-Term Expenditure Framework
CSO	Chief Scientific Officer	NEMA	National Environmental Management Act
DALRRD	Department of Agriculture, Land Reform and Rural Development	NDP	National Development Plan
DOA	Department of Agriculture	OBP	Onderstepoort Biological Products
DRT	Disaster Recovery Plan	OHS	Occupational Health & Safety
EAP	Enterprise Architecture Plan	OVI	Onderstepoort Veterinary Institute
EBITDA	Earnings Before Interest, Taxes, Depreciation, and Amortisation	PFMA	Public Finance Management Act
ECL	Expected Credit Losses	PAA	Public Audit Act
ERM	Enterprise Risk Management	SAICA	South African Institute of Chartered Accountants
ESG	Environmental, Social & Governance	SCM	Supply Chain Management
FMD	Foot and Mouth Disease	SHE	Safety, Health & Environmental
FY	Financial Year	SLA	Service Level Agreement
GDP	Gross Domestic Products	SOC	State-Owned Company
GMP	Good Manufacturing Practice	RSC	Risk Steering Committee
GRI	Global Reporting Initiative	TAHIC	Tshwane Animal Health Innovation Cluster
HR	Human Resources	UP	University of Pretoria
HLCS	Head of Legal and Company Secretary	VAT	Value Added Tax
JPC	Joint planning Committee	VPF	Vector Protected Facility
IAR	Integrated Annual Report	WCM	World Class Manufacturing
		WSP	Workplace Skills Plan

Onderstepoort Biological Products SOC Ltd **2025/26**

ACTS OF PARLIAMENT

Animal Diseases Act 35 of 1984

Broad-Based Black Economic Empowerment Amendment Act 46 of 2013

Companies Act 71 of 2008

Fertilizers, Farm Feeds, Agricultural Remedies and Stock Remedies Act 36 of 1947

Genetically Modified Organisms Act 15 of 1997

Income Tax Act 58 of 1962

National Environmental Management Act 107 of 1998

National Key Points Act 102 of 1980

Occupational Health & Safety Act 85 of 1993

Onderstepoort Biological Products Incorporation Act 19 of 1999

Preferential Procurement Policy Framework Act 5 of 2000

Prevention and Combating of Corrupt Activities Act 12 of 2004

Promotion of Access to Information Act 2 of 2000

Public Audit Act 25 of 2004

Public Finance Management Act 1 of 1999

Value Added Tax Act 89 of 1991









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