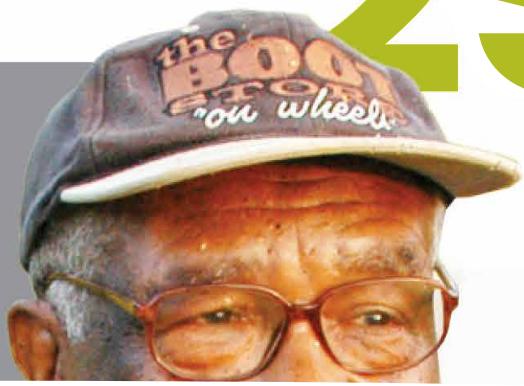




Integrated ANNUAL REPORT

24
25







GOAT
CAPRINE



HORSE
EQUINE



POULTRY
AVIAN



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This Integrated Annual Report, compiled by
Onderstepoort Biological Products SOC Ltd



1. SCOPE & BOUNDARY OF REPORT

This Integrated Annual Report, compiled by Onderstepoort Biological Products SOC Ltd (OBP) covers the period 01 April 2024 to 31 March 2025, and provides an account of OBP's governance practices, stakeholder engagement, 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 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 18-21 of this Integrated Annual Report.

The report has been prepared following International Financial Reporting Standards (IFRS), the Public Finance Management Act (PFMA), the requirements of the South African Companies Act as amended, National Treasury Regulations, and recommendations of the South African Code of Corporate Practice and Conduct (King IV).

Both financial and non-financial data 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 OBP's stakeholders. The summarised consolidated financial results published including the audited consolidated annual financial statements, are made available on OBP's website at www.obpvaccines.co.za

APPROVAL

The Board accepts responsibility for the integrity of OBP's Integrated Annual Report. As per King IV, the Board has delegated the responsibility of evaluating sustainability

disclosure to the Audit, Risk & Information Technology Committee (ARIT).

Upon recommendation of the ARIT, the Board oversaw this integrated report's integrity, accuracy, and completeness. The Board confirms that it has reviewed the content of this report and has collectively considered its preparation and presentation. In addition, the Board has appropriately verified the accuracy and completeness of material matters, and the reliability of the information presented. The Board is satisfied that these matters are materially presented in line with the International Integrated Reporting Council (IIRC).

FUTURE-OUTLOOK

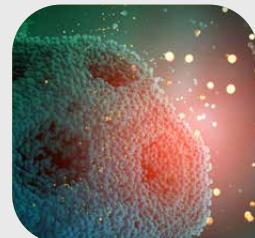
This report may contain forward-looking statements about OBP's performance and prospects. Such statements and forecasts may involve risks and uncertainties, as future events and conditions may differ from the current expectations. Stakeholders, are therefore, cautioned not to place excessive or undue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

¹ For the full designation and title of legislation, regulations, and codes, kindly refer to the Acronyms and Definitions section of the Integrated Annual Report

SCOPE & BOUNDARY OF REPORT

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 and sustainability, and we have evaluated them in the context of our strategic objectives, stakeholder engagement, and the “six capitals” (see pg. 18-21). We report in detail on material issues in the sections on our programmes, governance, and economic performance.



ENVIRONMENTAL IMPACT

We also considered any factors in our external environment that substantially affect our ability to create value.



COMBINED ASSURANCE

OBP’s combined assurance model recognises three lines of defence to maximise oversight, namely management review, internal and external assurance, and risk management and control. 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 the preparation of this report.

FEEDBACK

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 2024/25 Integrated Annual Report on 31 August 2025.

PROF. P. MABETA

Chairperson: OBP Board

MR. R. MAHABEER

Chairperson: Audit, Risk & Information Technology Committee



AFRICAN HORSE SICKNESS



HORSE
EQUINE

This Integrated Annual Report, compiled by
Onderstepoort Biological Products SOC Ltd



2. MINISTER'S FOREWORD

The livestock industry experienced biosecurity challenges at the farm level, which had a serious economic impact and threat to national food security. Despite these challenges, which were marked by climate variability, disease pressure and tight fiscal conditions, Onderstepoort Biological Products (OBP) continued the essential work of supplying critical animal vaccines, strengthening systems, and rebuilding trust with farmers and veterinarians. Within this mandate, OBP's focus was clear: stabilise product availability and lift operational reliability across the portfolio, particularly vaccines for African Horse Sickness, Bluetongue,

Rift Valley Fever, Brucella, and other products farmers rely on seasonally. By year-end, stock availability on key lines had improved meaningfully, supported by targeted maintenance and production efficiencies.

A customer satisfaction survey done by the entity showed a 78% satisfaction rate (a 20% improvement from the previous year). This result shows OBP is on the right track in sustaining its vision of being the “First choice in Animal Health Solutions”.

Modern, reliable manufacturing is the backbone of consistency. OBP advanced its plant renewal, including the delivery of two new industrial freeze-driers during the year, assets that will materially improve throughput once fully commissioned and qualified. In parallel, the organisation progressed its Good Manufacturing Practice (GMP) roadmap and improved production efficiency, evidence that the maintenance and reliability programme is working.

Service to end-users is just as important as molecules and machines. OBP expanded rural distribution points, scaled farmer training days that reached thousands of producers, and improved customer-service metrics, culminating in a significantly higher satisfaction score year-on-year. These are practical steps that bring vaccines closer to those who need them and restore confidence at the coalface of animal health.

We are candid about headwinds. Early-year equipment failures constrained volumes and revenue, and softer export demand weighed on performance. The turnaround plan is rightly anchored in basics: preventive maintenance, disciplined inventory planning, supplier performance, and targeted capital investment. As the new equipment is commissioned and validated, we expect capacity and commercial output to continue recovering in the new financial year.

Looking ahead, the priorities are straightforward:

Quality and compliance: Stay the course on GMP and plant upgrades as quality is the currency of trust.

Product reliability: Keep seasonal vaccines available when disease risk peaks, with clear, frequent communication to customers.

Access and support: Expand last-mile distribution and farmer training so small and emerging producers can protect their herds and livelihoods.

Financial resilience: Execute the capital programme on time and budget while maintaining cost discipline to restore margins.

Biosecurity is a system sport. OBP’s work dovetails with provincial veterinary services, private veterinarians, and industry bodies to prevent and contain outbreaks, protect market access, and safeguard public health. Our task is to keep aligning these pieces so that the whole is stronger than the sum of its parts.

I thank the Board for steady governance and the leadership team for restoring operational discipline and service. To OBP’s scientists, operators, technicians and support staff: your work rarely makes headlines, but it makes a profound difference in the real economy, on farms, in auction pens, at abattoirs, and along export corridors.

We enter the new year with a sober understanding of the risks and a confident plan to mitigate them. With modern equipment commissioned, GMP milestones tracked, distribution widened, and service improved, OBP is better positioned to do what the country needs it to do: keep vaccines available, affordable and reliable, and in so doing, protect South Africa’s biosecurity.



John Steenkamp
MINISTER | OF AGRICULTURE

This Integrated Annual Report, compiled by
Onderstepoort Biological Products SOC Ltd



3. STRATEGIC DIMENSIONS



Onderstepoort Biological Products (SOC) Ltd (OBP) was established in 2000, in terms of the Onderstepoort Biological Products Incorporation Act. 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

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.

NATIONAL KEY-POINT

As a National Key-Point (NKP) utility, 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:

Policy Mandate Roles

1.

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

2.

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





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

ONE | SET OF VALUES

People first

Respect

Integrity

Dedication

Excellence

ONE | 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

SOCIETAL

ANIMAL HEALTH

SKILLS DEVELOPMENT

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.

ONE | SET OF OUTCOMES

- Sustainable Financial Growth
- Optimised business processes
- Improved customer services
- Capable, ethical and developmental organisation



01

Smart digital
solutions for
Animal Health



02

Develop and
Produce Biological
Solutions



03

Managed
Distribution
Services

- Product unavailability
- Inadequate safeguarding of OBP as National Key Point
- Inadequate business continuity management capabilities

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

IMPACT

ECONOMIC TRANSFORMATION

FOOD SECURITY

MANAGING THE 6 CAPITALS TO DELIVER VALUE

OBP's business model centers on the creation and production of biological solutions for animal health, supported by smart digital tools and managed distribution solutions. Long-term value creation is dependent on the effective management and success of all six capitals. OBP continuously evaluates the interrelationships and linkages between these six capitals and its operations, using the 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 pool of funds available to an organisation, whether obtained through financing or generated from operations and investments.

MANUFACTURING CAPITAL

Physical objects that an organisation uses, such as buildings, equipment, and infrastructure.

INTELLECTUAL CAPITAL

Knowledge-based assets, including intellectual property, patents, organisational capital, and tacit knowledge.

HUMAN CAPITAL

The skills, capabilities, and experience of an organisation's employees, as well as their motivation and well-being.

NATURAL CAPITAL

All renewable and non-renewable environmental resources and processes, like land, water, and biodiversity.

SOCIAL AND RELATIONSHIP CAPITAL

Relationships and networks within and between organisations, communities, and stakeholders, encompassing trust, cooperation, and shared values.



FINANCIAL CAPITAL



OBP defines its financial capital as the funds available for deployment into existing business and new business opportunities. OBP reinvests its financial capital to expand its organisational portfolios through organic opportunities. To contain costs, OBP has implemented efficiency measures that, amongst others, include cost containment, strategic sourcing, and price negotiations with suppliers.

To maintain a healthy balance sheet, 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.

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 of:

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

MANUFACTURING CAPITAL

OBP's manufacturing capital is built on the equipment, technologies, site, property, and infrastructure used to create, manufacture, store, and distribute its products. OBP is acquiring new systems and equipment to improve operational efficiencies in line with the latest technologies and its investment plan.



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 OBP includes the following:

- Research and Development Capabilities,
- 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.

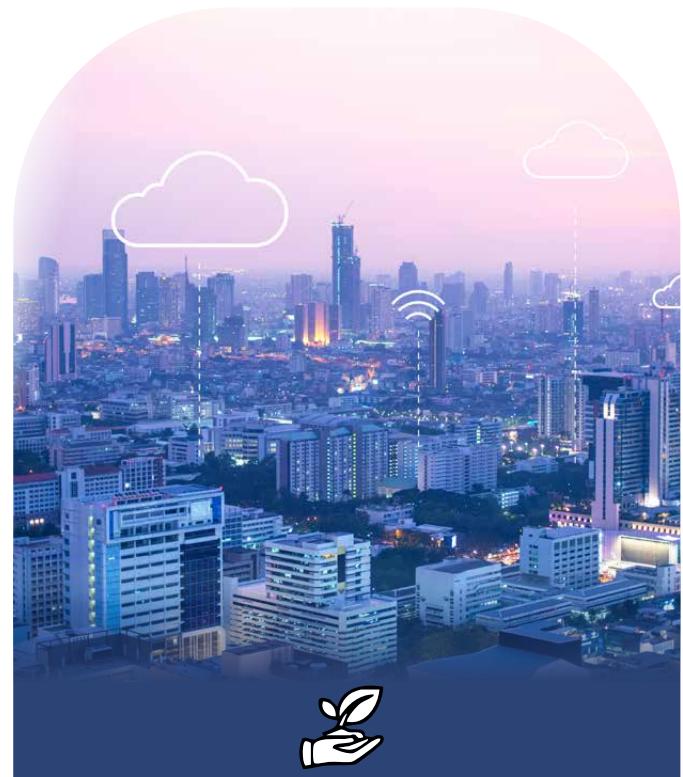




HUMAN CAPITAL

OBP's human capital comprises of skilled, competent, and experienced employees. As of 31 March 2025, the staff complement was one hundred and eighty-six (186) employees. OBP conducted an organisational review process and salary benchmarking to retain and attract critical skills and align with market-related trends during the prior year.

Critical positions are being filled to support OBP's strategy. Its strategic partnerships provided assistance to capacitate 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

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, 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 OBP's corporate social investment.

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.

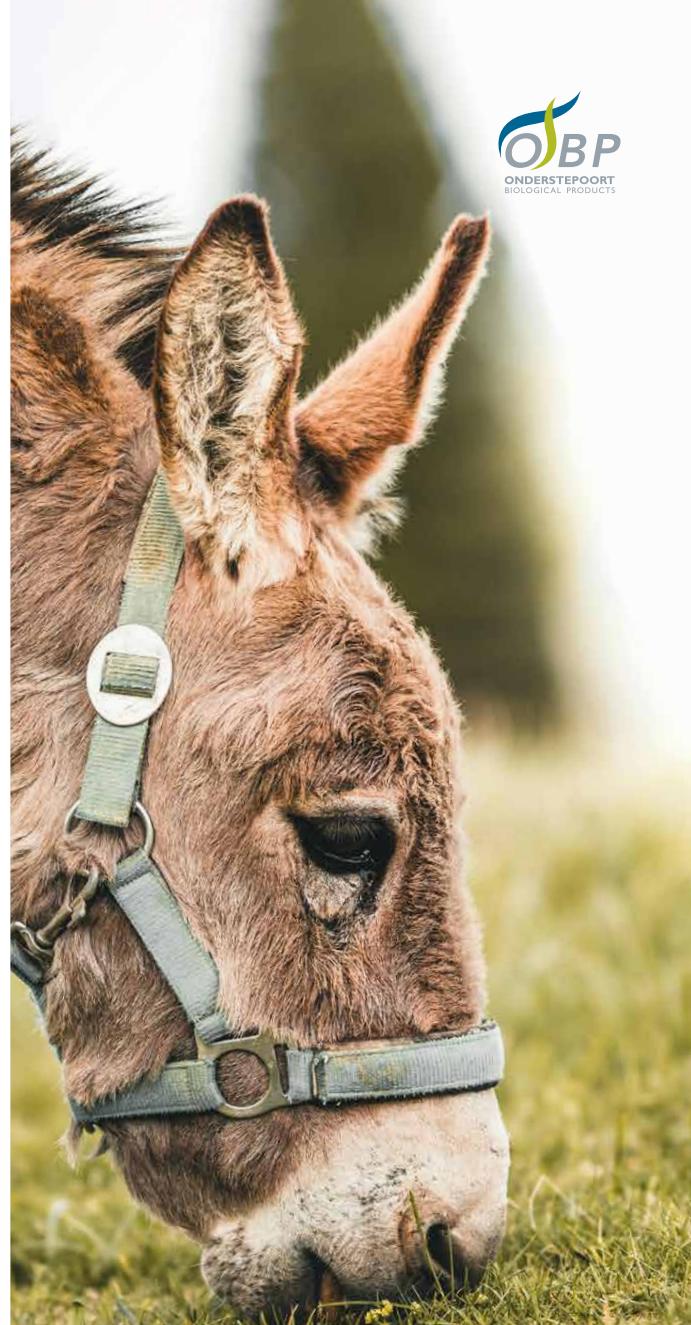


NATURAL CAPITAL

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 reduction emissions, and continued wetland preservation.

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



4. ORGANISATIONAL STRUCTURE

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



This Integrated Annual Report, compiled by
Onderstepoort Biological Products SOC Ltd



Shareholder



Board of
Directors



Chief Executive Officer

Head of Legal &
Company Secretariat



Internal Audit

Interim Chief
Scientific Officer

Chief Financial Officer

Marketing, Sales & Business
Development Officer

Chief Operations Officer

Corporate Service
Executive



LETTER TO THE MINISTER 5. OF AGRICULTURE

The Honourable Minister: Mr. JH Steenhuisen
Minister of Agriculture
Private Bag X100
Pretoria
0001

Honourable Minister,

I have the honour of presenting the Onderstepoort Biological Products (SOC) Ltd Integrated Annual Report for the financial year 01 April 2024 to 31 March 2025, for tabling in Parliament as required by Section 55 of the Public Finance Management Act 1999 (Act 1 of 1999).

The report provides an overview of OBP's performance, governance and financial results for the fiscal year that ended on 31 March 2025. Despite significant challenges during the year under review, including disease outbreaks and production constraints, OBP has important strides in fulfilling its mandate to support animal health and food security.

Yours faithfully,



PROF. P. MABETA

Onderstepoort Biological Products SOC Ltd | **Board Chairperson**

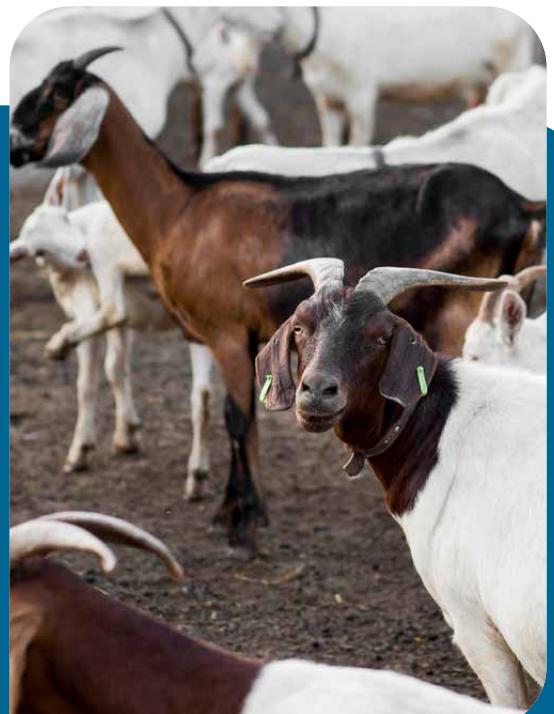
6. CHAIRPERSON'S OVERVIEW

It is my pleasure to present this Integrated Annual Report for the 2024/25 financial year, which reflects a review of the performance, challenges & achievements of the Onderstepoort Biological Products Soc Ltd (OBP) during the year under review.

Product availability was prioritised during the financial year. Although there were challenges during the 3rd quarter, the organisation has turned the tide in this regard. As at the end of the financial year, the organisation reported, for the first time in years, sufficient stock availability, especially among key products such as African Horse Sickness, Bluetongue, Rift Valley Fever vaccines, Brucella, and some blood vaccines.

This performance came on the backdrop of engagements with various stakeholders. In addition, significant maintenance was undertaken during the year under review, including refurbishment of the water plant. As a result of these key strategic initiatives, the organisation was able to focus on production efficiencies to meet seasonal demands across various product portfolios. The Board continues to monitor product availability on a quarterly basis. Facility upgrade and product availability improvements remain key strategic focus areas for the upcoming financial year.

The organisation invested in two new freeze-driers, which were delivered at OBP in January 2025 and June 2025, respectively. The equipment forms part of the organisation's modernisation project and infrastructure improvement. Once the installation is complete, the OBP will be amongst the largest pharmaceutical manufacturers within the animal health industry on the continent. As part of the organisation's growth strategy, product dossiers were submitted for registration for both local and international markets.



The organisation has demonstrated notable progress in its overall performance from the previous financial year. The Board remains committed to maintaining this level of achievement and is actively working to prevent any decline in performance.

The current Board came into office in November 2023, and to date, there have been no changes in Board composition. Strides were made through the appointment of the CEO in September 2024, the first substantive CEO since March 2021.

During the 2024/25 financial year, the organisation's revenue of R 186 million, which was a decline from the previous year. The organisation made strides in regaining its market share in certain strategic segments. The positive impact of regaining market share will be seen in the 2025/26 financial year. The business development strategy has been reviewed to ensure that it is responsive to the needs of the business and stakeholders.

I wish to extend my gratitude to the CEO for his leadership, as well as to the staff for their dedication and contributions toward OBP's ongoing progress over the past year.

On behalf of the Board and Management of the OBP, I also express sincere appreciation to the Honourable Minister, the Deputy Minister, the Director-General, and the staff at the Department of Agriculture for their support. Additionally, I thank our stakeholders for their continued commitment to the OBP.



A handwritten signature in black ink, appearing to read "P. Mabeta".

PROF. P. MABETA

Onderstepoort Biological Products SOC Ltd | **Board Chairperson**



7. BOARD OF DIRECTORS



Prof. Peaceful
Mabeta



Mr. Mokutule
Kgobokoe



Dr. Deenadayalen
Konar



Dr. Natalie
Skepers



Ms. Sinovuyo Matai
Ntiyantiya



Dr.
Linda Makuleni



Mr. Rajesh
Mahabeer

8. EXECUTIVE COMMITTEE



Mr. Collin
Manickum



Dr. Bethuel
Nthangeni



Adv. Peter
Nthotso



Ms. Charlene
Sheraton



Dr. Nobalanda
Mokoena



Dr. Jacob
Modumo



Ms. Komathie
Govender

9 REPORT OF THE CHIEF EXECUTIVE OFFICER'S

The livestock sector remains one of the most pivotal components of the South African agricultural industry. This is not only as a source of protein, but also for livelihoods and food security for South Africans. Over the past year, the livestock industry in the country continued to face threats and pressure from incursions of animal diseases, especially Foot and Mouth Disease, which has significantly impacted negatively on South African exports of animal products.

In this context, the vision of OBP of being the “First choice in Animal Health Solutions” has guided our actions to provide solutions that will enhance national biosecurity and contribute positively to food security, skills development and economic growth. Our Integrated Annual Report is hereby presented and structured around four strategic programmes, namely Financial Sustainability, Optimised Business Processes, Customer Service, and Governance and Leadership – aligning with the country’s priorities. In the year under review, OBP achieved approximately 62% of its annual performance targets, reflecting both significant successes and areas for improvement.

SUSTAINABLE FINANCIAL GROWTH

This programme’s targets were not met under very challenging circumstances. Equipment breakdowns in the first quarter hindered production, leading to lower sales volumes and missed revenue goals, which impacted the organisation’s profits. The freeze-dryer failure early in the year contributed to some delay in quantities obtained, and also long lead times to transfer products to distribution when demand was high. Despite these setbacks, OBP ensured that critical vaccines and products such as African horse sickness, Bluetongue and Rift Valley Fever remained available for the market. The entity resolved and has refocused its efforts on products that yield a positive outcome and the greatest benefit on national biosecurity. OBP has also in turn procured new equipment to prevent similar shortfalls in the future.

CONTINUOUS BUSINESS IMPROVEMENT

Although overall production output fell short of expectations, our intensified focus on the maintenance plan yielded positive outcomes, which saw the entity’s production efficiency improve by 8,79% against target. It has become more apparent that there is a significant global shift in demand for Good Manufacturing Practice for any success in entering new markets in the export environment. There was progress

made on the entity's Good Manufacturing Practice (GMP) roadmap, achieving 22% of the planned milestones for the year (against a 20% target). A highlight was the procurement and installation of a new freeze-dryer, which highlights the commitment from the Board in investing in modern equipment that will boost future production capacity and output.

CUSTOMER SERVICE

OBP has shown its commitment to responding to customer expectations through the achievement of the set targets for 2024/25. OBP implemented a customer satisfaction survey with results showing a 78% satisfaction rate (a 20% improvement from the previous year).

There has also been a resolution of customer complaints within the stipulated timelines and established new distribution points in rural areas to better serve and support small and emerging farmers. These efforts, along with dedicated farmer training days (benefiting over 2,600 farmers this year), demonstrate OBP's commitment to being more customer-centric and responsive to stakeholder needs.

GOVERNANCE AND LEADERSHIP

Sincere gratitude is expressed to all OBP employees and management for their determination and dedication during this difficult period. A culture survey was conducted, and management is using the feedback to develop programmes that address and respond to staff's concerns. Strengthening the OBP ethical and accountable culture remains a top priority as we move forward.

In summary, while the year under review brought significant challenges, OBP also saw important gains in efficiency, customer relations, and partnerships. We will carry these improvements into the next financial year and continue to work to fulfil our mandate of protecting animal health and food security.



DR. B. NTHANGENI

Onderstepoort Biological Products SOC Ltd | **Chief Executive Officer**



REPORT OF THE 10. CHIEF FINANCIAL OFFICER



Introduction

Ondersteport Biological Products (SOC) Ltd (OBP) market share in the vaccines market continued to be under pressure during the current financial year. Revenue fell short of both the budget and the previous financial year's results, due to a decline in performance in export markets sales, as well as water system disruptions that impacted production. This led to a net loss before tax of R20.92 million for 2024/25, a reversal from the R64.94 million profit before tax of the previous year. Production improvement were made with the reconfiguration of the water system. Two new freeze-driers are scheduled for installation in Q1 and Q2 of 2025/26. While some production disruption is expected, commercial output is anticipated to improve in Q3 and Q4, positively impacting sales performance in the 2025/26 year.

Finance

The Finance department is responsible for OBP's financial management, supply chain management and information technology section within Ondersteport Biological Products SOC (Ltd). In executing its duties, the department strives for effective and efficient financial management and internal controls in alignment with the strategic objectives of the organisation.

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 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

Procurement, distribution, and logistics are the primary emphasis areas of the Supply Chain Management department. The Supply Chain Management department'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 department is corporately mandated to work closely with other key functions in the company to ensure that these functions are fully supported.

One of the key functions of the procurement sub-division is the management of a supplier database and inventory of the Finance department to ensure a continuous supply of quality materials for the production of vaccines. Also key to the procurement function is compliance with relevant Treasury Regulations and the Public Finance Management Act. Through the Supply Chain Management department, OBP ensured compliance with procurement regulations while working to support broad-based black economic empowerment (BBBEE). For the year under review, 49% of the total procurement expenditure went to BBBEE-compliant suppliers, including 11% to Black women-owned businesses and 32% to Black-owned businesses. However, a substantial portion of the spend (R68.7 million) on overseas suppliers had a negative impact on the BBBEE contributor level.

The company is in the process of obtaining the BBBEE certification in line with generic verification guidelines issued by the Department of Trade and Industry (DTIC), and will continue efforts to balance local supplier development with the specialised imports necessary for vaccine production.

Information Technology

This section focuses on IT governance, security and support of users within the organisation. Information Technology is a critical department within the organisation in ensuring that the business meets its objectives through the utilisation of technology. In the financial year under review, OBP introduced a customer e-commerce portal to streamline sales and order management. As such, 24% of the commercial local sales were processed through this portal. The portal enables OBP customers to place and manage their product orders digitally and is a key initiative in OBP's drive to leverage technology for improved customer service and operationally efficiency.

The adoption of the portal has been encouraging and will continue to be promoted to augment traditional sales channels. An upgrade to the ERP system is planned to enhance reporting capabilities.

	2025	2024
Irregular expenditure		
Opening balance	3, 152, 694	-
Identified for the current year	-	3, 152, 694
Add: Amounts identified for the current year	437, 028	-
As reported in the Annual Financial Statements 2024/25	3, 589, 722	3, 152, 694
Fruitless and wasteful expenditure		
Opening balance	8, 000	-
Identified for the current year	-	8, 000
Less: Amounts condoned and written off	-	-
As reported in the Annual Financial Statements 2024/25	8, 000	8, 000

Results from Operations

The financial performance of the organisation has declined in comparison to the prior year's performance from an operational profit perspective, considering the revenue and expenditure, depicted in the Table below.

Item	2025	% Change	2024
Revenue	186,352,480	-20%	231,639,224
Expenditure	165,851,702	16%	143,369,895
Plant Investment	438,020,158	8%	406,931,334
Cash Equivalents	339,230,971	-26%	458,531,091

Gross Revenue

Total gross revenue for 2024/25 was R203,12 million, a decrease from R235,82 million in 2023/24. This performance was primarily due to a decline in export market sales and water system disruptions, which interrupted production. On a positive note, production improvements were done with reconfiguration of the water system, and two new freeze-driers have been procured, which are expected to enhance product capacity and revenue in the next financial year (2025/26).



Gross Margin

OBP achieved a gross margin of 59%, in comparison to the gross profit of 71% during the same period last year. A decline in gross margin was recorded due to a R10 million inventory write-off. Adoption of the revised costing approach resulted in the restatement of the gross margin. Despite the introduction of the revised costing approach, the entity's margins remained within an acceptable range.



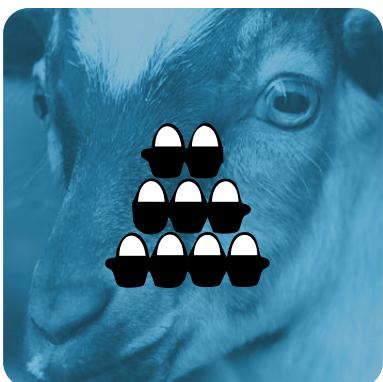
Other Income

Other income for the year amounted to R9.0 million, having decreased in comparison to the R16.9 million of the prior year. This category includes rental income, forex gains, and miscellaneous income that is not part of the primary source of income, which is the sale of vaccines.



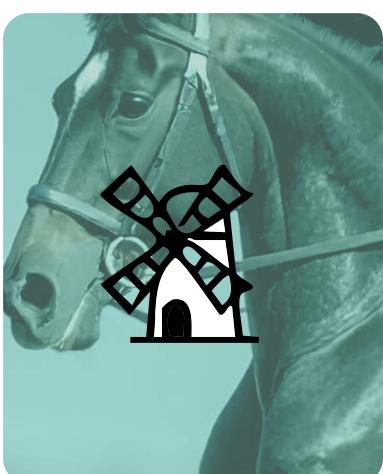
Operating and Administrative Expenses

The overall organisation expenditure increased by 16% year on year. This increase was attributed to higher computer expenses, inflationary pressures on inputs, and investment in critical skills retention. Other operating gains/(losses) decreased from a profit in the prior year, to a loss in the current year, due to an increase in write-off property, plant and equipment, and foreign exchange losses in the current year. Controlling the cost escalation will be a primary focus in the coming financial year.



Investment Income

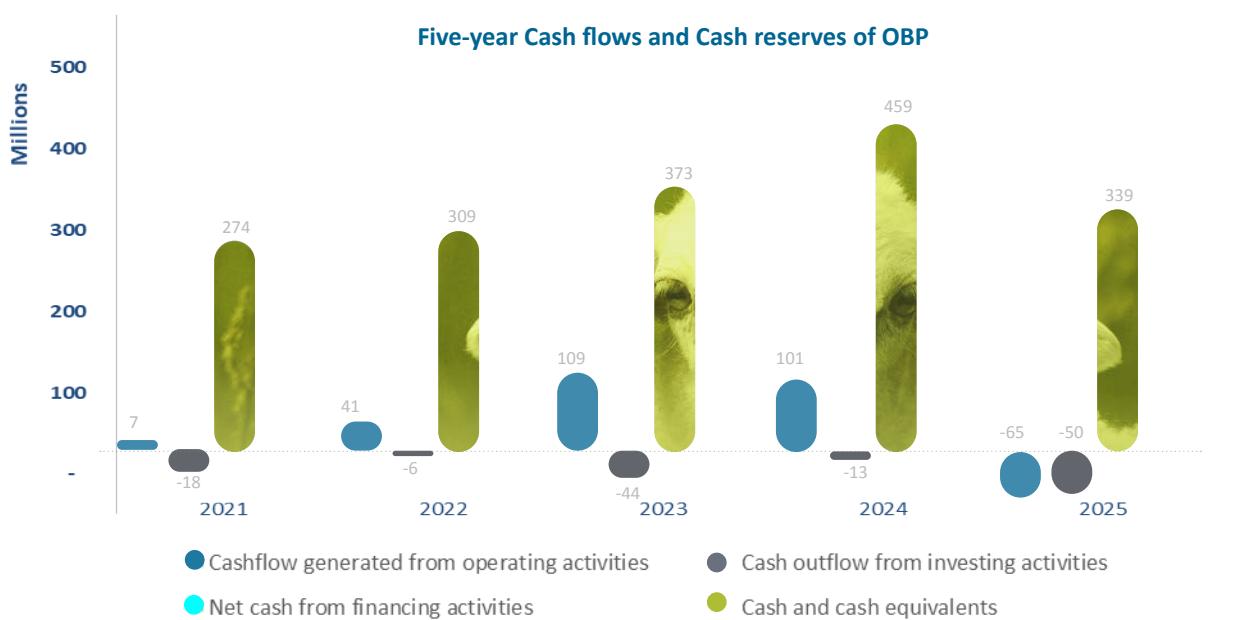
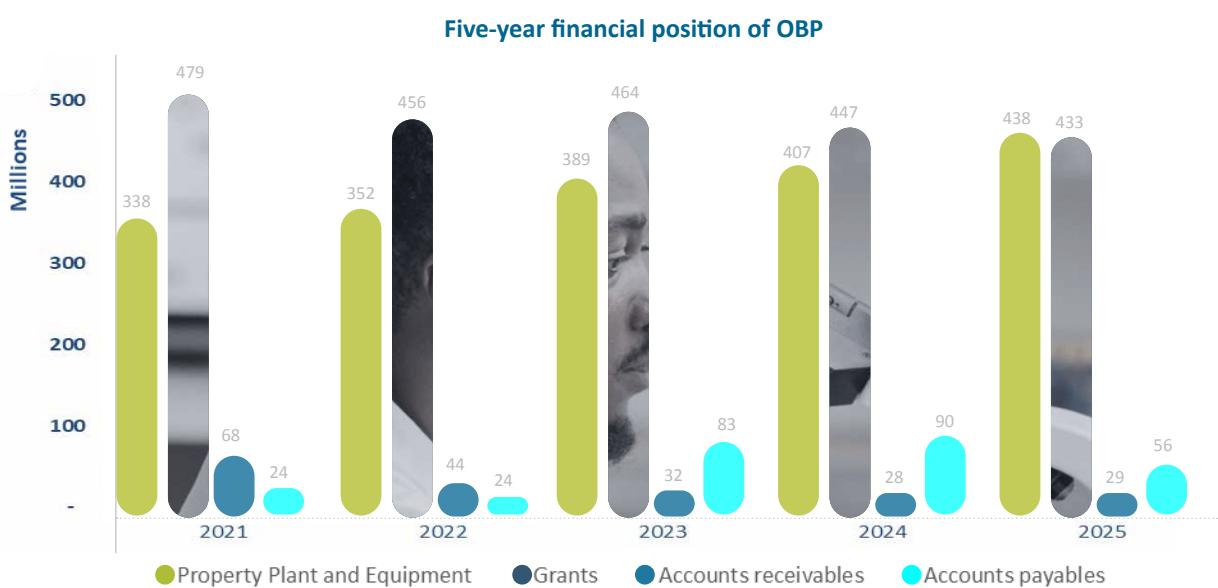
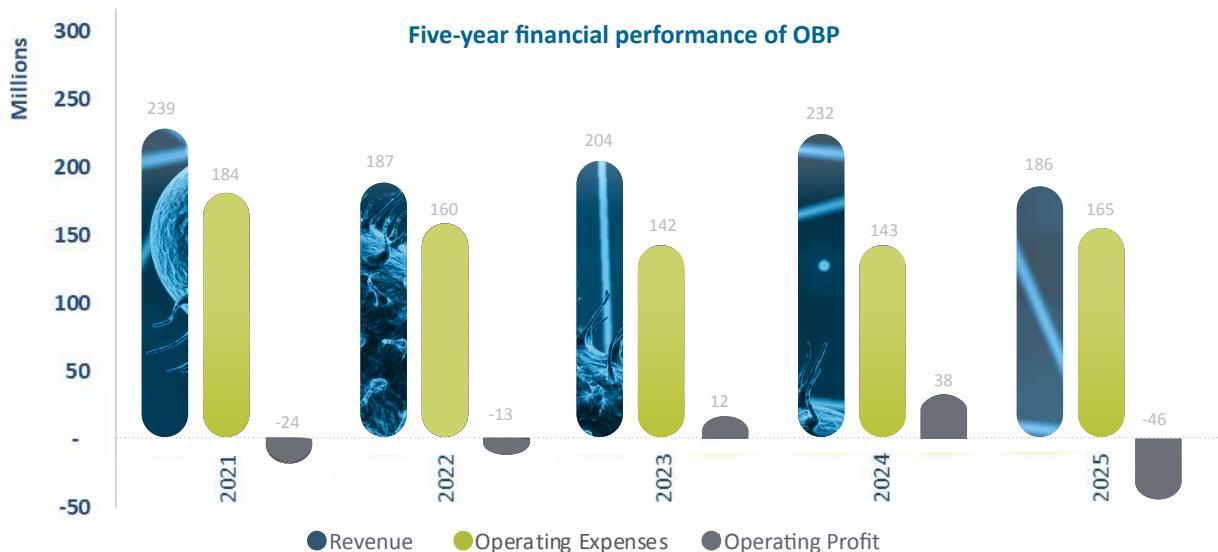
Investment income amounted to R25.4 million in the current financial year, a decrease when compared to what was reported in the prior year of R33.7 million. This reduction is due to the utilisation of cash reserves for capital projects (such as the freeze-driers) and slightly lower interest rates on bank investments contributed to the overall decline in investment income.



Organisational Performance

Over a five-year period, OBP's financial position has improved, largely due to the significant capital injection by our shareholder for the plant recapitalisation programme. However, in the 2024/25 financial year, the cash reserves declined by R119.3 million, leaving R339 million cash balance as at 31 March 2025. This is an anticipated result of the investment made in new production equipment crucial for future capacity, revenue growth and operating losses realised in 2022 and 2025.

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



Delivering Value to Stakeholders

OBP remains aligned with government priorities, particularly through efforts to alleviate poverty by enhancing food security and improving animal health in South Africa, the SADC region, across Africa, and globally. In 2024/25, OBP contributed to national outcomes through vaccine supply and disease outbreak response, supporting small farmers, and safeguarding animal health.

The initiatives and collaborations, from biosecurity programs with DALRRD to participation in the Agriculture and Agro-processing Master Plan illustrate OBP's commitment to creating value for our shareholder and stakeholders globally.

Issue Going Forward

OBP recognises the need to continually improve operational performance for the benefit of its stakeholders. Going forward, the efforts to enhance efficiency, maximise revenue, cost management, and ensure pricing of products remains affordable for customers will be intensified.

Key Financial Risks

A major upcoming risk is foreign exchange exposure due to the significant number of machinery acquisitions from overseas 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 a partial hedging by balancing foreign currency current assets and liabilities and closely monitoring currency movements.


A handwritten signature in black ink, appearing to read "K. Govender".

MS. K. GOVENDER

Onderstepoort Biological Products SOC Ltd | **Interim Chief Financial Officer**

11. CORPORATE GOVERNANCE REPORT

OVERVIEW

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 IV 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.

Board members have unrestricted access to accurate, relevant and timely information held by OBP. This enables them to make fully informed decisions, act with integrity and due care, and always serve the best interests of OBP, whilst considering the needs and interests of the Shareholder, employees, and other stakeholders.

The Board is also responsible for overseeing disclosure and communication processes, exercising independent and objective judgment on the affairs of 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 of defense 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.

Based on reports from management and internal auditors, the Board is satisfied that internal controls are generally effective, and financial records reliably inform our financial statements. Nothing has come to the Board's attention to indicate any material breakdown in controls during the year under review or up to the date of this report.

Furthermore, the Board is confident that OBP has sufficient resources to continue operating as a going concern for the foreseeable future.

BOARD MANDATE

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

1

- Approving OBP's strategic direction and annual budget, and monitoring performance against them.

2

- Acting as the guardian of OBP's ethics and values, and ensuring the organisation is managed ethically.

3

- Retaining full and effective control of OBP, including appointing the CEO and ensuring robust succession planning for senior management.

4

- Monitoring and guiding management's execution of strategy and ensuring proper risk management and internal controls are in place.

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

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 judgment 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.

MANAGEMENT REPORTING TO THE BOARD

The Board has a responsibility to regularly review and approve management reports, including annual budgets and strategies. OBP has adhered to all the legislative reporting requirements for the year under review.

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 authorities to committees and management, however, does not absolve the Board and its directors of their duties and responsibilities. The Board has delegated 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 annually.

BOARD OF DIRECTORS

The OBP Board is comprised of the following members:

1. Prof. Peaceful Mabeta (Independent Non-executive Chairperson)
2. Dr. Linda Makuleni
3. Ms. Sinovuyo Matai (Ntiyantiya)
4. Dr. Natalie Skeepers
5. Mr. Rajesh Mahabeer
6. Dr. Deenadayalen Konar
7. Mr. Mokutule Kgobokoe

BOARD COMMITTEES

AUDIT, RISK, AND INFORMATION TECHNOLOGY COMMITTEE

1. Mr. Rajesh Mahabeer (Chairperson)
2. Dr. Linda Makuleni
3. Dr. Deenadayalen Konar
4. Dr. Natalie Skeepers

OPERATIONS, SALES & MARKETING COMMITTEE

1. Ms. Sinovuyo Matai (Chairperson)
2. Dr. Natalie Skeepers
3. Mr. Mokutule Kgobokoe

RESEARCH AND DEVELOPMENT COMMITTEE

1. Dr. Linda Makuleni (Chairperson)
2. Ms. Sinovuyo Matai (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 accompanied by 3 independent non-executive directors, and the CEO. Committee members are assessed in terms of their qualifications, experience, and independence in line with their required duties in compliance with corporate best 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 9 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.

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

- Overseeing all risks that may impact 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 appointment, 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.

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 nothing has come to the attention of the directors or internal auditors to indicate that any material breakdown in the functioning of OBP's key internal controls and systems occurred during the 2024/25 fiscal year.

INTERNAL AUDIT

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

REMUNERATION, HUMAN RESOURCES 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 Konar served as the Chairperson of the Remuneration Committee for the fiscal year under

review. The committee consists of the Chairperson, three independent non-executive directors, and the CEO. 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. OBP strives to compensate employees fairly and per the market in related industries.

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

The emoluments of these executives and other executive directors is detailed in the annual financial statements (refer pages 147 to 148).

The Human Resources, Remuneration, and Ethics Committee is also responsible for OBP's Social, Ethics, and Transformation function, which assists the Board in ensuring that 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 IV.

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 the commitment, governance, and reporting of OBP's sustainable development performance and for making recommendations to the Board and management in this regard.

Monitoring sustainable development performance:

The Committee performs a monitoring role concerning the sustainable development performance of 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 OBP's environmental impacts.
- ethics and compliance.
- corporate social investment.

Included in 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 regards 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 (AIR) 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 page 53 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, including the organisation's advertising, public relations activities, and compliance with consumer protection laws.

The Chairperson of the Operations Committee for the year under review was Ms Matai. The Committee consists of the Chairperson, 2 independent non-executive directors, and the CEO. 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.
- Facilitate collaborations and partnerships concerning the functions of the organisation as well as the development of the research agenda for it.
- Ensure 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. Linda Makuleni. The Committee consists of the Chairperson, 2 independent non-executive directors, and the CEO. 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 13 times (including special meetings).

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	Combined OPSCOM & ARIT	Board Strategy Session
Board appointed on 01 st November 2023 for a term of three (3) years											
Total Meetings Held	4	9	4	5	4	4	4	2	1	3	2
* Prof P Mabeta	4	9	-	-	-	4	4	2	1	1	2
** Mr R Mahabeer	4	9	4	5	-	-	4	2	1	3	2
*** Dr L Makuleni	4	9	4	5	-	4	-	-	1	2	2
**** Dr L Konar	4	9	4	5	1	-	4	2	1	2	2
***** Ms S Matai	4	9	-	-	4	4	-	-	1	3	2
Mr M Kgobokoe	4	9	-	-	4	-	4	2	1	2	2
Dr N Skeepers	4	7	4	3	4	1	-	-	1	2	2

Legend:

- * Board Chairperson
- ** Audit Committee Chairperson
- ***R&D Chairperson
- ****Remco Chairperson
- *****OPSCOM Chairperson

REGULATORY COMPLIANCE

Based on the principal laws and regulations effective during the year, there were no known material areas of non-compliance within OBP; nonetheless, opportunities for improvement were identified, and action plans were monitored through the AR&IT Committee. There were no significant fines imposed, nor was 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.

This code has been effectively communicated to all OBP employees and is applied to all connections between OBP, 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 rules are in complete compliance with the Prevention and Combating of Corrupt Activities Act. 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 2024/25 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.

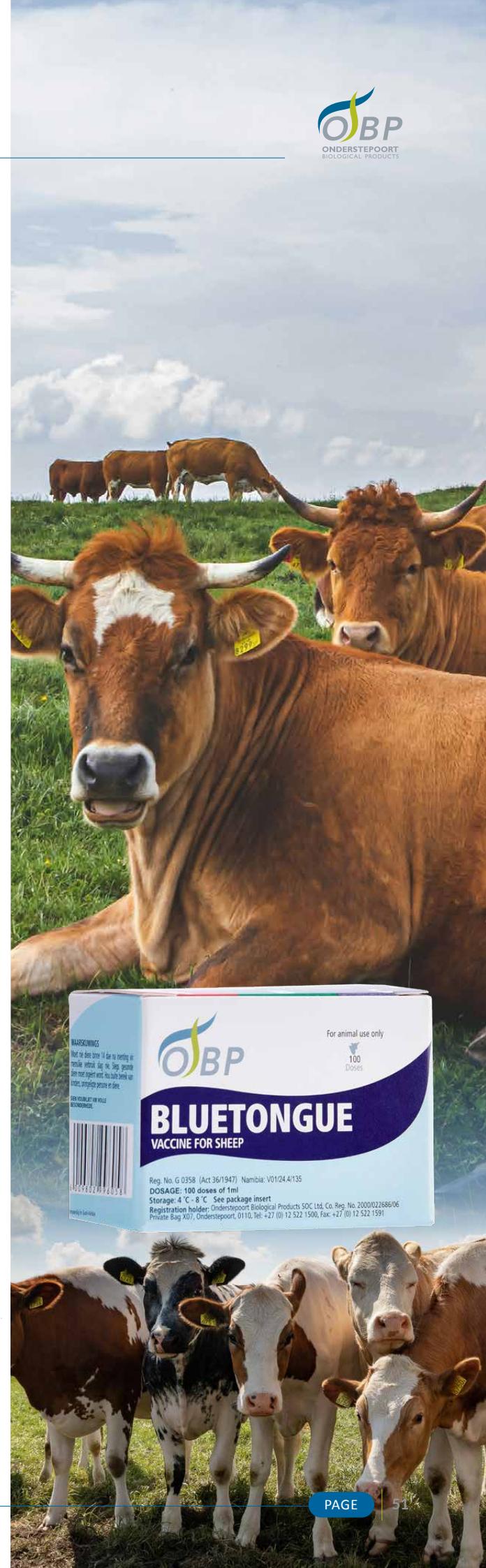
CODE OF CONDUCT

The code of conduct at OBP is managed through a code of conduct policy and ethics policy, which have been approved. The processes to deal with the contraventions of these policies are outlined in these

Based on management reports and legal compliance assessments, the Board is not aware of any material instances of non-compliance with applicable laws and regulations during the reporting period.

CATTLE

BOVINE



12. RISK MANAGEMENT

OBP as a public entity, is required to comply with the requirements of the Public Finance Management Act, 1999 (Act No. 1 of 1999) (PFMA) by establishing and maintaining an effective, efficient and transparent risk management system. In line with this mandate and the King IV Code of Corporate Governance, OBP has adopted an Enterprise-wide Risk Management (ERM) approach to identify and manage risks impacting the strategic and operational objectives of the organisation. The Audit, Risk, and Information Technology Committee provides oversight to the risk management process.

The Board actively considers strategic risks in the pursuit of organisational goals and objectives, acknowledging that the realisation of its mandate depends on the effective mitigation of the risks compromising the OBPs' legislative mandate and delivery of quality service to all stakeholders. The risk management portfolio includes Strategic Risk Management, Operational Risk Management, Anti-corruption, Fraud Prevention and Awareness, Combined Assurance.

INTERNAL AUDIT

During the year under review, Internal Audit conducted detailed reviews to test the adequacy and effectiveness of controls in various operations. Their findings and recommendations were reported to management and the ARIT Committee for corrective action and monitoring. Internal Audit and the Risk Management function worked closely to ensure identified risks informed the audit plans. This collaborative approach provides assurance that risk mitigation strategies and controls are not only in place but also functioning effectively.

Management through the risk management function also continuously conducts a Controls Self-Assessment to evaluate whether the existing controls and implemented risk treatments remain effective and address any weaknesses.

SUSTAINABILITY REPORT

OVERVIEW

This sustainability report reviews OBP's social and environmental performance for the fiscal year ended, 31 March 2025. In preparing this report, OBP considered international sustainability best practices such as King IV and the Global Reporting Initiative (GRI). While OBP is still developing its non-financial reporting systems to fully align with GRI standards, it remains committed to the values of accountability and transparency in reporting our sustainability progress and challenges



OBP prioritises projects with positive social impact. This year, there was active participation in the Agriculture and Agro-Processing Master Plan where training small and emerging farmers on disease awareness and biosecurity practices at the farm level was a priority. OBP has donated critical vaccines to resource-limited farmers as part of its corporate social investment, improving livestock health in disadvantaged areas. By establishing new distribution networks in rural communities, OBP not only improved product access but also supported local entrepreneurs (through training and business opportunities), thereby contributing to job creation and skills development in those communities.

In sustaining its business continuity, OBP invests in its employees through employee development programmes, environmental stewardship, and social development. The most important factor in OBP's long-term success is maintaining a committed, talented, and diverse workforce. Employees will continue to play an important role in OBP's long-term growth strategy. OBP has dedicated divisions, such as Human Resources (HR), that support its continual people emphasis.

SOCIO-ECONOMIC DEVELOPMENT

OBP prioritises projects which have a positive social impact. The organisation understands that addressing Socio-Economic Development (SED) issues forms an integral component of its identity. OBP continues to see the value of giving back to the communities it serves, particularly the most rural and disadvantaged areas. OBP's primary goal is to enhance knowledge and skills while also supporting developmental, social, and environmental projects, either financially or in kind.

ENVIRONMENTAL INITIATIVES AND AWARENESS

OBP is committed to reducing its environmental footprint and as such, as per the National Environmental Management Act (No. 107 of 1998) (NEMA), OBP has Environmental Impact Management guidelines in place. It provides a framework for gradually reducing the organisation's carbon footprint, encouraging good environmental hygiene, and consistently improving waste management methods. It also enables a controlled operating environment and sound materials usage procedures to minimise human exposure to health hazards, reduce pollution during operations, and protect the environment. For example, OBP continues to preserve and rehabilitate the natural wetlands on our property and has ongoing projects to transition plant operations to cleaner energy sources (such as solar power).

Production processes necessarily consume natural resources (like water and energy) and generate some hazardous waste. OBP recognises the responsibility to manage these impacts responsibly. Strict protocols are in place to handle and dispose of hazardous biological waste safely, preventing environmental contamination. In addition, the organisation is continuously exploring innovative technologies and process improvements that can enhance efficiency and reduce waste. As a result of these efforts, OBP did not record any significant environmental incidents during the year under review.

13. 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 and relevant information to stakeholders in 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 CEO held numerous stakeholder engagements with industry partners, the media, and the Shareholder to address concerns and share information.

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



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14. PRODUCT: FULL RANGE OF OUR PRODUCTS

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 2024/25, 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.



CAPRINE (GOATS)



EQUINE (HORSES)



OVINE (SHEEP)



BOVINE (CATTLE)



AVIAN (POULTRY)



Actinomyces (Corynebacterium) Pyogenes



African Horse Sickness



Anaplasmosis (Frozen)(Tick-Borne Gallsickness)



Anthrax Spore



Black Quarter



Bluetongue



Blue Udder



Botulism



Botulism/ Black Quarter (Combined)



B-Phemeral



Brucella Rev.1



Brucella S19



Calf Paratyphoid (Inactivated Polyvalent)



Calf Paratyphoid (Live)



Campylobacter (Vibrio) Fetus



Chlamysure



Clostridium Septicum



Corynebacterium ovis



Coryzaplus



Elephant Skin Disease



Enterotoxaemia (Alum-Precipitated)



Enterotoxaemia (Oil-emision)



Escherichia coli (Oil-emision)



Fowl Pox



Fowl Typhoid



Gasgangrene



Heartwater - Infective Blood



Lamb Dysentery



Leukopast



Leukopast 3



Lumpy Skin Disease



Orf (Freeze-Dried)



Pasteurella (Cattle)



Pasteurella (Sheep & Goats)



Redwater African (Frozen)



Redwater Asiatic (Frozen)



RVF Clone 13



Rift Valley Fever (Inactivated)



Rift Valley Fever (Live)



Swelled Head



Tetanus



Wesselbron Disease



15. DEPARTMENTAL OVERVIEW

Production efficiency in 2024/25 improved significantly as compared to the previous year on key products such as African Horse Sickness, Bluetongue and Lumpy Skin Disease vaccines. This boost is attributed to key interventions, including the appointment of qualified maintenance staff, the implementation of a seven-day production cycle, and the reduction of vaccine batch failure rates through better quality control. These measures led to greater vaccine availability. However, vaccine production was temporarily hindered in the third quarter due to challenges in the production of sterile diluent, caused by an aged water production facility, as well as suspected foul play.

Despite the setback, the overall trend was positive as a result of the short-term maintenance plan, demonstrated by a decreasing machinery and equipment downtime trend throughout the year.

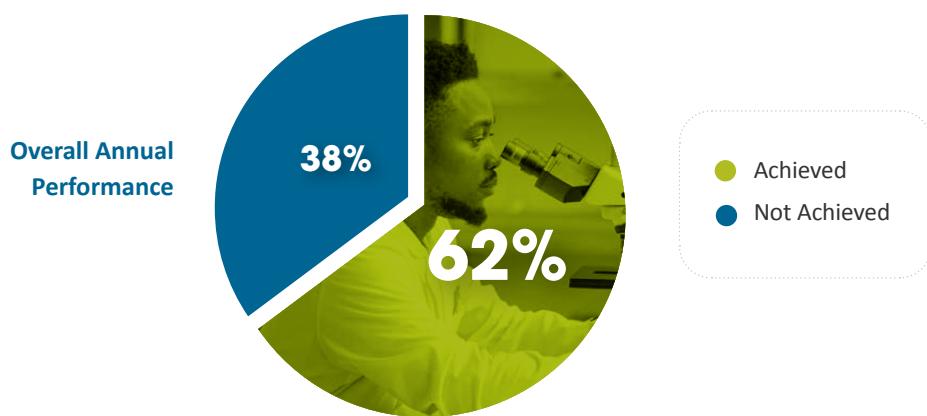
The long-term capital expenditure plan implementation continued, with the highlight being the delivery of a new freeze drier, which is scheduled to be in operation during 2025/26. In addition, a second freeze drier was also procured. The focus of the capital expenditure plan is to replace aged machinery and equipment which could result in production constraints.

OBP began the implementation of world-class manufacturing techniques, which resulted in reduced batch failure rates, reduced downtime and production quantity improvements. In the upcoming fiscal year, other world class techniques will be implemented, including aesthetic upgrade of the OBP facility and other enhancements. The GMP project, which had been paused, has been reinstated – with background preparatory work being in progress prior to commencement of physical activities, moving OBP closer to full GMP compliance which is increasingly required to access new markets.

SALES, MARKETING & BUSINESS DEVELOPMENT PERFORMANCE

Organisational Performance

Despite improvements in production, the market context remained challenging. Ongoing Foot and Mouth Disease outbreaks led to livestock movement restrictions, which in turn changed farmers' buying behaviour and dampened demand in some segments. Within this environment, our Sales and Marketing department managed to achieve 5 out of 8 key deliverables (62.5%) for the year



Notably, once production stabilised later in the year, the entity recovered and produced key products needed by the market. However, from a financial perspective, year-to-date sales revenue ended below both budget and the previous year's figures (as detailed in the financial section), reflecting the tough market conditions and earlier supply issues. The accompanying Figure 1 illustrates OBP's monthly sales performance against budget and last year, highlighting both the slow start and the later recovery.



Product performance

As observed in recent years, viral vaccines (e.g., those for vector-borne diseases like Bluetongue and Rift Valley Fever) continued to dominate OBP's sales. The past three years of wetter climate patterns led to higher incidences of these diseases, driving demand and allowing OBP to grow its market share in viral vaccine segments.

CUSTOMER SERVICE COMPANY BRAND PERCEPTION

Responding to prior complaints about service and product availability, OBP made significant improvements this year. According to a customer perception survey conducted in 2024/25, 78% of OBP clients reported being satisfied with OBP's services – a 20-percentage point increase from the previous year's satisfaction level. This improvement reflects better product availability in the latter part of the year and more proactive customer support. There was also a regaining of several key customers who had reduced purchases in previous years, thanks to targeted outreach and reliability improvements.

Additionally, the marketing and sales teams established 10 new distribution points across different provinces, focusing especially on underserved rural areas. Through these efforts and farmer training programs (over 2,600 farmers trained this year), OBP strengthened its relationship with the farming community. Over 80% of customer complaints (mostly relating to delays and communication) were resolved, with a notable increase in the frequency of communication to all stakeholders.

Based on survey feedback, in the coming year, OBP will adopt an even more customer-centric strategy and ensure OBP is highly visible and accessible at major points of sale.

REPORT OF THE CHIEF SCIENTIFIC OFFICER

The Innovation, Research and Development (IR&D) unit continues to be the cornerstone for the expansion of the product portfolio and strategic growth and innovation. The objective of the IR&D is to cultivate and pursue scientific excellence through investment in staff and product development, publishing of scientific outputs on peer-reviewed platforms, and active participation in scientific forums.

The primary focus is on advancing scientific excellence, developing new and improved vaccines, and strengthening our compliance with international regulatory standards to support OBP's long-term sustainability and market position.

Collaborations

Collaboration remains critical to OBP's R&D success. During the year, OBP actively collaborated with leading research and academic institutions in different Provinces. These partnerships provided critical expertise, resources,

and knowledge-sharing opportunities, enabling us to advance several promising vaccine candidates and technology improvements.

Product registration dossiers

In 2024/25, OBP successfully submitted new product registration dossiers to regulatory authorities both locally and internationally, notably exceeding the annual target. Several additional vaccine dossiers, targeting key animal diseases, are now awaiting regulatory approval. These achievements represent significant steps forward in our product development pipeline, positioning OBP to better meet market demands and enhance national biosecurity.

Human Capacity Building

OBP continues to invest in building OBP's scientific capacity through ongoing staff development and education initiatives. This year, one scientist completed a Master's degree under OBP supervision, and three PhD students concluded their doctoral programs, significantly

enhancing the entity's internal expertise. Additionally, two new PhD-qualified researchers joined the team. OBP has also hosted postdoctoral fellows sponsored by the National Research Foundation, further enriching its R&D capabilities.

Research facilities

Significant progress was made in upgrading the critical research infrastructure this year. The Vector Protected Bio-Secure Facility (VPF), essential for conducting safe clinical trials, progressed towards full compliance. Additionally, OBP's small animal research facility underwent essential repairs and upgrades to meet regulatory standards, which will facilitate smoother R&D operations and better experimental outcomes moving forward.

International and national conferences

OBP actively participated in international and national scientific conferences and training programmes in 2024/25. Highlights included attendance at the International Vaccine Institute's Vaccinology Course in Rwanda and presentations at the 21st Annual Congress of Southern African Society for Veterinary Epidemiology. These engagements helped position OBP at the forefront of vaccine innovation and enhanced our scientific reputation.

Funding opportunities

OBP's senior scientist was awarded the equipment-related travel grant to a value of R100,000 to attend a specialised freeze-drying training in the United Kingdom with a postdoctoral fellow

Peer-Reviewed Publications and Patents

The OBP scientific team continued to produce impactful research outputs, publishing articles in reputable peer-reviewed journals and contributing significantly to the global knowledge base on vaccine development, notably:

- Mlingo TAM, Beeton-Kempen N, Nthangeni MB, Theron J, Mokoena NB. Genome sequences of the 15 bluetongue virus vaccine strains incorporated in the South African live-attenuated vaccine. *Microbiology Resource Announcements*, 2024, 13 (6): doi: 10.1128/mra.00223-24.
- Mlingo TAM, Pretorius J M, Theron J and Mokoena N B. Plasmid DNA-based reverse genetics as a platform for manufacturing of Bluetongue Vaccine. *Journal of Virology*, 2025, 99 (4): <https://doi.org/10.1128/jvi.00139-25>

Moving forward, the OBP's focus will be on accelerating product commercialisation, further enhancing its infrastructure for vaccine development, and expanding collaborations to leverage global scientific expertise. The priorities include finalising key product registrations, advancing compliance with Good Manufacturing Practice (GMP) standards, and continuing investments in human capital development to sustain innovation and ensure market readiness.

ANNUAL PERFORMANCE REPORT



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Continuous Improvement Of Business Processes Programme
Customer Service Programme

1. EXECUTIVE SUMMARY

The loss-before-tax for the financial year amounts to R20.9 million against the prior year's profit before tax of R64.9 million and against a budgeted profit of R14.3 million. This performance was primarily due to a decline in export market sales and water system disruptions, which impacted production.

2. ANNUAL FINANCIAL PERFORMANCE

FOR FINANCIAL YEAR 2024/2025

Statement of Financial Performance for the period ending 31 March 2025. Please refer to the Annual Financial Statements attached.

3. BRIEF FINANCIAL ANALYSIS REVENUE

REVENUE

3.1 Revenue

For the year under review, the gross vaccine sales were 203.1 million.

3.1.1 Revenue Breakdown

Category	Mar 2024/25 YTD	Revenue Percentage 2024/25 YTD	Mar 2023/24 YTD	Revenue Percentage 2023/24 YTD
Vaccines	203,116	95.1%	235,824	93.0%
Distribution income	1,528	0.7%	5,313	2.1%
Other income	8,993	4.2%	12,499	4.9%
Total	213,637	100.0%	253,636	100.0%

3.1.2 Vaccine Gross Sales Per Market

Category	Mar 2024/25 YTD	Revenue Percentage 2024/25 YTD	Mar 2023/24 YTD	Revenue Percentage 2023/24 YTD
Local	77,328	38.1%	87,293	37.0%
Export	86,753	42.7%	134,608	57.1%
Government	39,035	19.2%	13,923	5.9%
Total	203,116	100.0%	235,824	100.0%

Reconciliation of Revenue to the Statement of Profit or Loss

Reconciliation	2025	2024
Vaccines Gross Sale	203 116	235 824
Less: Discount granted	18 291	9 489
Net Sales	184 825	226 326
Plus:		
Distribution Income	1 528	5 313
As per AR report	186 353	231 639

The local market sales equate to 38.1% of the total sales for the period ended March 2025, while the export market equates to 42.7%. The government sales contributed 19.2%. There is increased competition internationally in the products that are also offered by OBP, however OBP managed to retain some markets.

4. ANNUAL PERFORMANCE TARGETS

4 ANNUAL PROGRAMME TARGETS 2024/2025

4.1 Measuring Our Outcomes

4.1.1 Programme: Financial Sustainability Purpose: To increase revenue and profitability

Sustainable Financial Growth						
Outcome	Output Indicator	Annual Targets	Actual YTD Performance	Variance	Reason for Variance	Action Plan
Increased sales revenue (R) annually	R305m increased sales revenue	R202 919 032m increased sales revenue	-R102 080 968m	Not achieved	The lead time to pack products impacted negatively on quantities transferred to the distribution department.	Introduction of new technology and automation to improve efficiency.
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	1 new product dossier submitted to Registrar of Act 36 of 1947 for registration	-2	Not achieved	Some data outstanding due to the unavailability of the animal facilities.	Complete upgrade of the animal facility
Number of product dossiers submitted to international markets annually	6 product dossiers submitted to international markets	7 product dossiers submitted to international markets	+1	Overachieved	Overachievement due to request to submit additional dossier for another product.	Continue to submit dossiers to other new markets
Increased EBITDA (%) annually	6% increase from FYE 2024	3% increase from FYE 2024	-3%	Not achieved	Inability to achieve the budgeted revenue resulted in under-performance	New freeze dryer will improve revenue which will improve the anticipated EBITDA
% increase in top 20 vaccine doses sold annually	10% vaccine doses sold annually	-24% vaccine doses sold	-34%	Not achieved	The lead time to pack products impacted negatively on quantities transferred to the distribution department.	Introduction of new technology and automation.

4.1.2 Programme: Continuous Improvement of Business Processes
Purpose: To ensure the supply of improved quality products to the market through advanced technology.

Outcome	Output Indicator	Annual Targets	Actual YTD Performance	Variance	Reason for Variance	Action Plan
	% production efficiency improved annually	85% improved production efficiency	93.79% improved production efficiency	+8.79% Overachieved	Production increased in preparation for the new financial year	Will continue produce in line with demand forecast.
	Progress (%) on implemented action items against the GMP roadmap annually	20% of GMP roadmap achieved	22% of GMP roadmap achieved	+2% Overachieved	Training implemented on critical requirements of QMS compliance.	Update the GMP roadmap plan.
	Implementation of Board approved Enterprise Architecture plan to inform ICT strategy	Implement 100% of deliverables as per phase 3 of the approved plan	34%	-66% Not achieved	Insufficient budget to procure: Digital Signature LIMS	Projects incorporated into the budget for 2025/26 FY
	Improved facilities to achieve GMP certification	GMP project plan finalised	GMP project plan not finalised	Not Achieved	GMP Specialist Advisor and Principal Agent not appointed	GMP Specialist Advisor and Principal Agent to be appointed
	Improved (%) output of Top 20 products annually	82% output of top 20 products	48.53% output of top 20 products	-33.47% Not Achieved	Smaller batch sizes of research freeze drier negatively impacting on vaccine quantities to distribution	Commission and qualify new larger capacity freeze driers to achieve vaccine quantities

Optimised business processes

4.1.2 Programme: Continuous Improvement of Business Processes
Purpose: To ensure the supply of improved quality products to the market through advanced technology.

Outcome	Output Indicator	Annual Targets	Actual YTD Performance	Variance	Reason for Variance	Action Plan
	Sell through rate (%) maintained	Product sold as a percentage of inventory in distribution should be maintained between 40-80%	335%	295% and 255% Not achieved	The lead time to pack products impacted negatively on quantities transferred to the Distribution department	Introduction of new technology and automation to improve efficiency.
	Percentage of Capital Expenditure Plan completed	50% six-year Capital Expenditure Plan completed	50.2%	+0.2%	Focus on completion of capital expenditure projects	Continue to focus on the capital expenditure plan

4.1.3 Programme: Customer Service

Purpose: To provide excellent customer service.

Outcome	Output Indicator	Annual Targets	Actual YTD Performance	Variance	Reason for Variance	Action Plan
Improved (%) of customer satisfaction annually	58% customer satisfaction outcome	78% customer satisfaction outcome	+20%	Overachieved	There was an improvement in services rendered to customers.	Continue to improve customer services and product availability.
Proportion (%) of Customer complaints resolved annually	80% customer complaints resolved	100%	+20%	Overachieved	Customer complaints received were timely resolved	Continue to resolve customer complaints within stipulated timelines
Proportion (%) of Top 20 customers retained annually	80% top 20 customers retained	90%	+10%	Overachieved	Clients requested more of Bluetongue and AHS vaccine.	Continue to engage more frequently with the top 20 clients as part of our retention initiative.
Number of new distribution channels established annually	10 new distribution channels established	10	0	Achieved	No variance – Target achieved	OBP will continue to identify and introduce more distribution channels in line with the 2025/26 strategy.

Improved Customer Services

4.1.3 Programme: Customer Service

Purpose: To provide excellent customer service.

Outcome	Output Indicator	Annual Targets	Actual YTD Performance	Variance	Reason for Variance	Action Plan
	Number of farmers trained annually	2500 farmers trained	2652 farmers trained	+152 Overachieved	More individual farmers attended farmer's events we organised in Q4.	OBP to continue hosting its own farmers' days in the new financial year.
	Number of media publications disseminated via different media channels to external stakeholders	22 media publications disseminated via different media channels to external stakeholders	25 media publications disseminated via different media channels to external stakeholders	+3 Overachieved	OBP had sales promotions and product awareness campaigns which were promoted using social media platforms	More communication platforms will be used to promote and communicate with all stakeholders.

4.1.4 Programme: Governance and Leadership

Purpose: To drive an ethical and accountable corporate culture.

Outcome	Output Indicator	Annual Targets	Actual YTD Performance	Variance	Reason for Variance	Action Plan
Capable, Ethical and Developmental Organisation	Conduct culture survey & develop employee engagement implementation plan for 2025/2026 – 2026/2027 for approval by the Board	New indicator Conduct culture survey & develop employee engagement implementation plan for 2025/2026 – 2026/2027 developed and approved by the Board	Culture survey conducted and employee engagement implementation plan for 2025/2026 – 2026/2027 developed and approved by the Board	Achieved	No variance – Target achieved	OBP will continue to implement milestones of the employee engagement plan
	(%) of staff trained per annum	Amended indicator 70% of staff trained in line with job descriptions per annum	140% of staff trained in line with job description	+70% Overachieved	Continue implementation of training interventions for staff during 2025/26	Continue implementation of training interventions for staff during 2025/26
	Approved governance and ethics framework		Governance and ethics framework workshop for awareness conducted	Achieved	No variance – Target achieved	Training and awareness sessions will be conducted.

5. GUARANTEES & BORROWINGS

Nil

6. CAPITAL INVESTMENT PROJECTS

GMP – Finalising matters to ensure continuation at the earliest

7. NON-CORE ASSET/ BUSINESS ACQUISITION OR DISPOSALS

Nil

8. OCCUPATIONAL HEALTH & SAFETY

REPORTING PER QUARTER	NUMBER OF INCIDENCES	CLASSIFICATION	STATUS
Q1	1	Minor	Closed
Q2	0	N/A	-
Q3	0	N/A	-
Q4	0	N/A	-



9. RISK REGISTER

No.	Strategic Outcome	Risk Name	Root cause	Inherent Rating	Existing Controls	Action Plan	Action Owner	Due	Comments
SR1	Sustainable Financial Growth	Insufficient Research & Development output	Unavailability of compliant infrastructure to carry out research.	20	Use of third-party facilities where possible (University of Pretoria, ARC etc).	10	Upgrading and refurbishment of all animal facilities	CSO	31/08/2024
						Outsourcing of research projects to strategic institutions		31/03/2025	The stable 166 animal facility completed and NSPCSA planned first week in May.
						Operationalising VPF facility	CSO	31/03/2025	SOPs for VPF validation completed. A follow up audit planned with contractor in first week in April.
			Delays in the VPF project completion.		VPF operationalisation plan developed				
			Lack of funding (funding for pilot infrastructure, but not for projects per se)		Existing CAPEX plan that caters for R&D capacity infrastructure.		Implementation of CAPEX plan for R&D infrastructure.	CSO	31/08/2024
								31/03/2025	A follow up audit conducted by Department of Agriculture on the 28 th February
									The stable 166 completed and NSPCSA planned first week in May.

No.	Strategic Outcome	Risk Name	Root cause	Existing Controls	Action Plan	Action Owner	Due	Comments
			Loss of critical research staff	Reviewed organisational structure which enables succession pipeline.	Filling of vacant research positions in R&D.	CSO	31/03/2025	2 Positions advertised and one to be advertised.
			Challenges in regulatory approval of documents submitted to Act 36	Partial outsourcing of dossier generation research projects to strategic institutions for generation of additional data dossiers	Use of human resources funded by third parties (NRF, DSJ, TIA).	CSO	31/03/2025	The Collaboration Framework approved by board in Q3 2024/25.
			Leaking of SOPs & materials to competitors	13	Signing of legal agreements with strategic institutions	CSO	31/03/2025	IP strategy developed and to be submitted in Q4 for board approval. Includes KMS.
SR2	Sustainable Financial Growth	Loss of IP (registered and unregistered)	Unprotected trademarks Loss of critical personnel Poor document management	Putting confidentiality agreements in place	Utilisation of Knowledge Management System (KMS). Development of IP strategy	CSO	31/03/2025	IP strategy developed and to be submitted in Q4 for board approval. Includes KMS.
			Theft and loss of seed stock antigens	Stringent SOPs in place for management of seed stock. Strict access controls to seed stock. Regular monitoring and maintenance of seed stock. Service level agreements are in place for offsite Seed Stock storage.	Training on SOPs for management of Seed stock	CSO	31/03/2025	SLA finalised with second service provider. Third secure storage side to be identified. Training on SOPs deferred to Q1 2025/25 FY
					SLAs signed with three suppliers for offsite storage of seed stocks			Management of off-site master seed storage and

No.	Strategic Outcome	Risk Name	Root cause	Inherent Rating	Existing Controls	Action Plan	Action Owner	Due	Comments	
				Residual Rating						
SR3	Sustainable Financial Growth	Non-compliance with international standards & Regulatory requirements	1. Product dossiers do not have enough data	16	review of action plan including protection from fire, loss, and theft					
			2. Lack of on-going training and awareness on compliance	8	Generation of missing data missing on product dossiers.	Outsourcing of dossier generation research projects to strategic institutions	CSO	31/03/2025	The Collaboration Framework approved by board in Q3 and is being implemented	
			3. OBP production and quality processes not GMP and GXP compliant	8	Regular compliance checks Compliance with applicable legislation.	Development of Compliance Universe Report	HLCS	31/03/2025	Comprehensiveness review completed. A new compliance universe to be developed by 30 June 2025.	
			Inadequate knowledge management systems	8	ISO 9001 certification Completed VPF	Adherence to GMP roadmap	CSO	31/03/2025	22% of the action items of the GMP Roadmap have been implemented.	
SR4	Sustainable Financial Growth, Improved Customer Services, Optimised business processes & Capable, Ethical and Developmental organisation	Ineffective execution of strategic initiatives	16	Regular MANCO meetings.	Performance Management policy to be reviewed	CSE	31/01/2025	Policy under review and consultation with labour is ongoing.	Staff meeting held on 6 February 2025 and strategic initiatives shared.	
			High staff turnover	8	Staff meetings to update on strategic initiatives (Quarterly Town Hall discussions).	Draft and finalise knowledge management policy for Exco approval.	CEO	31/03/2025		
			Exit interviews conducted.	8	Develop and obtain approval for employee engagement plan emanating from culture survey	CSE	31/03/2025	The employee engagement plan was tabled and approved at the Board meeting in January 2025..		

No.	Strategic Outcome	Risk Name	Root cause	Inherent Rating	Existing Controls	Residual Ratings	Action Plan	Action Owner	Due	Comments
			Inadequate performance of small animal facility HVAC.	Use of third-party facilities where possible	Upgrading and refurbishment of all animal facilities	CSO	31/08/2024	A follow up audit conducted by Department of Agriculture on the 28 th February		
			Poor project management & execution e.g., GMP accreditation project	Project Manager appointed for GMP.	Draft GMP Project Implementation Plan.	COO	28/02/2025	Establishment of procurement committees for appointment of specialist advisor is underway.		
SRS	Optimised business processes		Inadequate review of policies and SOPs to align with an agile environment i.e. onerous processes.	15 SOP and Policy Review process is monitored by departments.	Development of the policy framework	HLCS	Moved from Q1 to 31/12/2024	Following the small working group meeting, a draft has been prepared and will be tabled at EXCO in April 2025.		
				Training and assessment on reviewed SOPs.	Update outstanding policies and SOPs due for annual review as per QA listing and reporting done quarterly.	EXCO	31/03/2025	SOPs being reviewed and submitted to QA for approval. Waiting approved versions for training purposes from QA.		
				Sales, Production, EMU have bi-weekly meetings	Business process analysis	EXCO	31/03/2025	The implementation strategy is revised. Microsoft (The ERP OEM) appointed one of its partners to conduct a pre-assessment of the upgrades for inclusion in the RFB. This will be used to source a Microsoft approved implementer.		
			Business value chain not efficient (misalignment of key departments i.e., EMU, Production, SCM, Sales)			Full implementation of ERP	31/03/2025	The implementation strategy is revised.		
			Inadequate implementation	Navision ERP planning system						

No.	Strategic Outcome	Risk Name	Root cause	Inherent Rating	Existing Controls	Action Plan	Action Owner	Due	Comments
Residual Ratings									
SR6	Sustainable Financial Growth, Improved Customer Services	Loss of Market Share	Inadequate funding to implement the developed strategy.	25	Prioritisation of supply of key products Sales Strategy in place.	13	Review the sales and marketing strategy	SMBDO	31/01/2024
							Full Implementation of sales & marketing strategy	SMBDO	01/04/2025
							Procurement of new equipment to increase production capacity	COO	31/03/2025
									Two new freeze driers procured.
									Consideration of contract manufacturing
								SMBDO	31/03/2025
							Identifying new distribution points	SMBDO	28/03/2025
							Review the stakeholder engagement matrix	SMBDO	31/01/2025
									Two distributors appointed in Q4
									Discussions with other possible service provider underway.
									Draft to be tabled for final approval by the board

No.	Strategic Outcome	Risk Name	Root cause	Inherent Rating	Existing Controls	Residual Ratings	Action Plan	Action Owner	Due	Comments
			Partial implementation of the stakeholder management matrix.	Medium	Implement the stakeholder engagement matrix	Medium	SMBDO	31/01/2025	Draft tabled for approval at EXCO	
			Preventative maintenance of critical equipment	Medium	Implementation of Maintenance Shutdown Plan	Medium	COO	20/01/2025	Maintenance shutdown plan underway. To be completed by 30 June 2025.	
			Unavailability of utilities, critical equipment, and raw material (water, steam & electricity).	Medium	Conceptualise and develop Contract Manufacturing Business Strategy	Medium	SMBDO	31/01/2025	Concept strategy under development and will be tabled at EXCO in 30 June 2025	
			Shortages of skills of the production process know how.	Medium	Frameworks for water and electricity supply being updated.	Medium	COO	09/12/2024	Frameworks were updated in January 2025, and approved by Opscomm and the Board	
			Underinvestment in critical infrastructure.	Medium	IT disaster recovery policy.	Medium	HLCS	31/03/25	BCP Framework not reviewed by 31/03/25. Will be reviewed after the Risk workshop in May 2025.	
			Business Continuity arrangements e.g. utility supply.	Medium	Business Recovery framework in place.	Medium	HLCS	31/03/2025	Disaster Recovery Plan not finalised. Will be finalised by 30 June	
			Immature BCM culture	Medium	Disaster Recovery Site in place	Medium	HLCS	31/03/2025	Finalise Disaster Recovery Policy	
			Environmental disasters due to extreme weather conditions	Medium	Business Continuity arrangements e.g. utility supply.	Medium	COO	09/12/2024	Frameworks were updated in January 2025 and approved by Opscomm and Board	
			Deteriorating power supply situation in the country	Medium	Frameworks for water and electricity supply being updated.	Medium				
SR7	Sustainable Financial Growth & Optimised business processes	Business Continuity and Resilience	Lack of BCP and DRP on a frequent basis	16	IT disaster recovery policy.	Medium	HLCS	31/03/25	BCP Framework not reviewed by 31/03/25. Will be reviewed after the Risk workshop in May 2025.	
			Immature BCM culture	Medium	Business Recovery framework in place.	Medium				
			Environmental disasters due to extreme weather conditions	Medium	Disaster Recovery Site in place	Medium				
			Deteriorating power supply situation in the country	Medium	Business Continuity arrangements e.g. utility supply.	Medium				

No.	Strategic Outcome	Risk Name	Root cause	Inherent Rating	Existing Controls	Action Plan	Action Owner	Due	Comments
Residual Ratings									
			Equipment breakdowns	Short term maintenance plan in place and monitored.	Monthly monitoring of progress of plan and actions to be taken.	COO	31/03/2025	Action closure rate at 72.29% as at end Q4 – Q4 target of 70% achieved	
SR8	Sustainable Financial Growth		Reliance on sole and single suppliers from specific regions	1. OBP has traditionally sourced raw materials from specific countries. 2. Regulatory approvals not obtained for other countries with regard to sourcing of raw materials	1. Supplier management strategies implemented 2. Strategic sourcing	COO	31/03/2025	Capital expenditure – 50.2% of projects completed by 26 March 2025 Strategy development extended to June 2025.	
SR9	Capable, Ethical and Developmental organisation	Talent Management Risk and Staff Morale	Inability to attract competent staff	1. Poor organisational culture 2. Low staff morale 3. Volatile relations with the unions 4. Outdated HR policies and frameworks 5. Lack of accountability	1. Employee Engagement Implementation Plan. 2. Market related salaries 3. Bargaining forum structure 4. Existing policies, SOPS and frameworks 5. Quarterly performance reviews	CSE	31/03/2025	Employee engagement plan has been developed and approved by the Board Workshops to be scheduled in the 1 st quarter 2025/26 FY Consultations with labour are ongoing	

No.	Strategic Outcome	Risk Name	Root cause	Inherent Rating	Existing Controls	Residual Ratings	Action Plan	Action Owner	Due	Comments	
			6. Failure to implement the succession plan. 7. Lack of integration in HR systems & manual HR information management Lack of capacity in HR	6. Approved Succession Planning Framework 7. HR Information system X2 HR Generalist X1 HR Administrator	accountability is enforced	Implementation plan to be developed	CSE	31/01/25	Plan to be revised in accordance with HR plan by Q1 2025/26		
SR10	Capable, Ethical and Developmental organisation	Non-compliance with ESG principles	Poor safety culture Lack of safety culture and constant safety communication. Ineffective environmental controls and aware-ness	16	SHE Committee	8	2. Continuous adherence and monitoring of SHE legislation Reporting on Sustainability in Annual Report	COO	31/03/2025	SHE committee meetings continuing Shortlisting of permanent SHE officer complete. Decision taken to delay strategy formulation until a permanent SHE Officer has been appointed.	

No.	Strategic Outcome	Risk Name	Root cause	Inherent Rating	Existing Controls	Residual Rating	Action Plan	Action Owner	Due	Comments
		Ineffective fraud and corruption awareness	Implementation of the Fraud and corruption policy	Medium	Fraud and corruption awareness workshops conducted across OBP.	Medium	CEO	Q2		The workshop conducted in December 2024. Awareness workshops to be conducted by 30 June 2025/26
		Poor investigation on whistleblowing reports.	An outsourced whistleblower facility in place	Medium	Receive and table reports at Audit Committee on quarterly basis	Medium	HLCS	Quarterly		Reports tabled at ARIT and Board in January 2025
		Failure to provide timely reports on ESG to key stakeholders internally and externally.	Regular reports submission to the Board, National Treasury and DALRRD	Medium	Quarterly reports tabled at the Board through Human Resource, Remuneration and Ethics Committee	Medium	HLCS	Quarterly		Quarterly reports tabled at REMCO and Board in January 2025
		Unethical culture	Ethics and Compliance Committee and Frameworks	High	Review and workshop the framework	High	HLCS	31/12/2024		The Framework was reviewed and approved by the Board in January 2025





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General Information

Annual Financial Statement for the year ended 31 March 2025 | OBP

Country of incorporation and domicile

South Africa

Nature of business and principal activities

Vaccine Production

Registered office

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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 2025**

1. Members of the Audit Committee

The members of the Audit, Risk and IT committee are all independent non-executive directors of the company 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 Skeeters	1 November 2023	31 October 2026

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.

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 meetings with the key role players on a regular basis and by the unrestricted access granted 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 Audit, Risk and IT Committee has an independent role from management with accountability to the Board and the Shareholder. The Audit, Risk and IT Committee comprised of four non-executive directors. The Audit, Risk and IT Committee should meet at least four times per annum as per its approved Charter. During the current year (2023/24) the Audit, Risk and IT Committee met nine times with attendance as noted above. Additional text

The committee held 4 scheduled meetings during 2025 and all the members of the committee attended all the meetings.

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 2025. During the current financial year the function was fully operational.

5. Risk Management

While the Board is responsible for overall governance of risk, it has appointed and is supported by the Audit, Risk and IT Committee 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 2025, 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.

7. 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

Audit, Risk and IT Committee Report

Annual Financial Statement for the year ended 31 March 2025 | Onderstepoort Biological Products

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 of South Africa audited the Annual Financial Statements for the 2024/25 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 the process is overseen by the Audit, Risk and IT Committee.

The Audit, Risk and IT Committee discharged all functions delegated to them in terms 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.

RMahabeer

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

Director's Responsibilities and Approval



Annual Financial Statement for the year ended 31 March 2025 | Onderstepoort Biological Products

The directors are required in terms of 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. 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 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 2026 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 set out on page 109, which have been prepared on the going concern basis, were approved by the Chairperson of Board on 31 May 2025 and were signed on their behalf by:

Signed on behalf of the Board of Directors By:

A handwritten signature in black ink, appearing to read 'Prof. P. Mabeta', is placed above a solid horizontal line.

Prof. P. Mabeta
Chairperson of the Board

Company Secretary's Certification

Annual Financial Statement for the year ended 31 March 2025 | Onderstepoort Biological Products

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 entity in terms of the Act and that all such returns are true, correct and up to date.



Advocate P Nthotso
Company Secretary

Report on the audit of the financial statements

Qualified opinion

1. I have audited the financial statements of the Onderstepoort Biological Products (OBP) set out on pages 109 to 154, which comprise the statement of financial position as at 31 March 2025, statement of profit or loss and other comprehensive income, statement of changes in equity, and statement of cash flows 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 2025, 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 1 of 1999 (PFMA) and the Companies Act 71 of 2008.

Basis for qualified opinion

Cost of sales and inventories

3. I was unable to obtain sufficient appropriate audit evidence to substantiate the amount recognised as cost of sales and inventories in relation to work in progress and finished goods as the public entity did not implement effective systems of internal controls to maintain reliable accounting records and information to support the amounts disclosed in the financial statements. I could not confirm the amount of cost of sales and inventories by alternative means.
4. Consequently, I was unable to determine whether any adjustments relating to inventories stated at R45 952 948 (2024: R44 912 965) and cost of sales stated at R75 661 678 (2024: R66 718 963) in notes 5 and 15 to the financial statements were necessary. Additionally, there was an impact on the loss for the year and on the accumulated surplus.

Other operating income

5. The government grants were not accounted for as required by IAS 20, *Government Grants*. The public entity did not have adequate systems of internal control for calculating the grant income. Consequently, the government grants disclosed in note 16 to the financial statement was overstated by R3 611 133 (2024: R2 542 556) and deferred income disclosed in note 11 to the financial statement was understated by the same amount. Additionally, there was an impact on the loss for the year and on the accumulated surplus.

Property, plant and equipment

6. 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 in notes 3 and 35 to the financial statements. Consequently, the corresponding figure relating to buildings included in note 3 to the financial statements was overstated by R25 599 144 while depreciation was overstated by R11 773 122. Additionally, there was an impact on the loss for the year and accumulated surplus.

Annual Financial Statement for the year ended 31 March 2025 | Onderstepoort Biological Products

7. In the prior year, the public entity did not correctly account for depreciation of assets in accordance with IAS 16, *Property, Plant and Equipment*. The public entity did not have adequate systems of internal controls for calculating the depreciation. Consequently, the depreciation included in note 22 to the financial statements was overstated by R4 319 431, while the accumulated surplus were understated by the same amount.
8. In addition, I was unable to obtain sufficient appropriate audit evidence for impairment of property, plant and equipment, as the public entity did not have adequate systems in place to assess indicators of impairment as required by IAS 16, *Property, Plant and Equipment*. I could not confirm this by alternative means. Consequently, I was unable to determine whether any further adjustments were necessary to carrying amount of property, plant and equipment as stated at R441 460 189 (R411 195 949) in note 3 to the financial statements.

Fruitless and wasteful expenditure

9. The fruitless and wasteful expenditure incurred during the current financial year under audit and related information on fruitless and wasteful expenditure was not included in the notes to the financial statements as required by section 55(2) (b)(i) of the PFMA. As a result, I was unable to confirm the full extent of the fruitless and wasteful expenditure disclosed in note 36 to the financial statements.

Context for opinion

10. 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.
11. 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.
12. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Emphasis of matter

13. I draw attention to the matter below. My opinion is not modified in respect of this matter.
14. As disclosed in note 35 to the financial statements, the corresponding figures for the 31 March 2024 were restated as a result of an error in the financial statements of the public entity at, and for the year ended, 31 March 2025.

Responsibilities of the accounting authority for the financial statements

15. 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.

16. 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.

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

17. 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.

18. 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 103 -104, forms part of my auditor's report.

Report on the annual performance report

19. 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.

20. I selected the following material performance indicators presented in the annual performance report for the year ended 31 March 2025. 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.

- Increased sales revenue (R) annually
- Number of new products dossiers submitted to Registrar of Act 36 of 1947 for registration annually
- Number of product dossiers submitted to international markets annually
- % increase in top 20 vaccine doses sold annually
- % production efficiency improved annually
- Progress (%) on implemented action items against the GMP roadmap annually
- Improved facilities to achieve GMP certification
- Improved (%) Output of Top 20 products annually
- Number of new distribution channels established annually
- Number of farmers trained annually

21. 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.

22. 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.

23. I performed the procedures to report material findings only; and not to express an assurance opinion or conclusion.

24. The material findings on the reported performance information for the selected material indicators are as follows:

Various indicators

25. Some supporting evidence was not provided for auditing; or, where it was, I identified material differences between the actual and reported achievements. Consequently, the achievements might be more or less than reported and were not reliable for determining if the targets had been achieved.

Indicator	Target	Reported achievement
% increase in the top 20 vaccine doses sold annually	10% vaccine doses sold annually	-24% vaccine doses sold
Number of New Distribution Channels Established Annually	10 new distribution channels established	10

Increased sales revenue (R) annually

29. An achievement of R202 million was reported against a target of R305 million. However, the target had not been clearly 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 related to the rand value, however the calculation of the indicator is in percentage. Consequently, the target is not useful for measuring and reporting on progress against the public entity's planned objectives.

Other matters

26. I draw attention to the matters below.

Achievement of planned targets

27. 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.

28. The tables that follow 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 64 to 86.

Programme 1: Financial sustainability

<i>Targets achieved: 25%</i>		
Key indicator not achieved	Planned target	Reported achievement
Increased sales revenue (R) annually	R 305m increased sales revenue	R 202 919 032 increased sales revenue
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	1 new product dossiers submitted to Registrar of Act 36 of 1947 for registration
% increase in top 20 vaccine doses sold annually	10% vaccine doses sold annually	-24% vaccine doses sold

Programme 2: Continuous improvement of business processes

<i>Targets achieved: 50%</i>		
Key indicator not achieved	Planned target	Reported achievement
Improved facilities to achieve GMP certification	GMP project plan finalised	GMP project plan not finalised
Improved (%) output of Top 20 products annually	82% output of top 20 products	48.53% output of top 20 products

Report of the Auditor-General to Parliament on Onderstepoort Biological Products SOC Ltd

Annual Financial Statement for the year ended 31 March 2025 | Onderstepoort Biological Products

Material misstatements

29. I identified 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 all of the misstatements, and I reported material findings in this regard.

Report on compliance with legislation

30. 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.

31. 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.

32. 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.

33. The material findings on compliance with the selected legislative requirements, presented per compliance theme, are as follows:

Annual financial statements

34. 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.

35. Material misstatements identified by the auditors in the submitted financial statements were not adequately corrected and the supporting records could not be provided, which resulted in the financial statements receiving a qualified opinion.

Revenue management

36. Effective and appropriate steps were not taken to collect all revenue due, as required by section 51(1)(b)(i) of the PFMA.

Consequence management

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

Other information in the annual report

38. 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 presented in the annual performance report that have been specifically reported on in this auditor's report.

39. 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.

40. 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 presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

41. 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

42. 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.

43. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the qualified opinion, the material findings on the selected material indicators included in the annual performance report and the material findings on compliance with legislation included in this report.

44. The public entity developed an audit action plan to address internal control deficiencies, however, the plan was not adequately monitored to ensure that corrective measures were effectively implemented. As a result, there were recurring findings with similar root causes as those previously reported.

Annual Financial Statement for the year ended 31 March 2025 | Onderstepoort Biological Products

45. The public entity did not establish and communicate policies and procedures to enable and support understanding and execution of internal control objectives, processes and responsibilities.
46. 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.
47. The public entity did not prepare regular, accurate and complete financial and performance reports that are supported and evidenced by reliable information.
48. 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 2025



**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.

Annexure - Auditor-General's responsibility for the audit

Annual Financial Statement for the year ended 31 March 2025 | Onderstepoort Biological Products

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:

Legislation	Sections or regulations
Public Finance Management Act 1 Of 1999	Section 50(3)(a), Section 50(3)(b), Section 51(1)(a)(iii) & Section 57(b)
Treasury Instruction Note 11 of 2020/21 par 3.1	Paragraph 3.1,3.4(b) & 3.9
Preferential Procurement Policy Framework Act 5 of 2000	Section 1, Section 2(1)(a), Section 2(1)(b) & Section 2(1)(f)
Preferential Procurement Policy Framework Act 5 of 2017 (PPR)	Regulation 4(1), Regulation 4(2), Regulation 5(1), Regulation 5(3), Regulation 5(6), Regulation 5(7), Regulation 6(8), Regulation 7(8), Regulation 8(2), Regulation 8(5), Regulation 9(1), Regulation 10(1), Regulation 10(2), Regulation 11(1) & Regulation 11(2)
Preferential Procurement Policy Framework Act 5 of 2011 (PPR) Preferential Procurement Policy Framework Act 5 of 2022 (PPR)	Regulation 9(1) Regulation 4(4) Regulation 5(4)
National Treasury SCM Instruction 4 of 2015/16	Paragraph 4.1 & Paragraph 3.4
National Treasury SCM Instruction 5 of 2020/21	Paragraph 1;2;4.8;4.9; & 5.3
National Treasury SCM Instruction 3 of 2021/22	Paragraph 4.1;4.2;4.3;4.4 & 4.4(d)
Construction Industry Development Board Act No.38 of 2000	Section 18(1)
Construction Industry Development Board Regulations_Companies Act 71 pf 2008	Regulation 17 & 25(7A) Section 27, Section 28, Section 29, Section 30 & Section 31
Second amendment NT Instruction No. 5 of 2020/221	Paragraph 1
Erratum NT Instruction note No.5 of 2020/21	Paragraph 2



RIFT VALLEY FEVER



DP 01 425
92 905



CATTLE
BOVINE
GOAT
CAPRINE
SHEEP
OVINE



Director's Report

Annual Financial Statement for the year ended 31 March 2025 | Onderstepoort Biological Products

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 2025.

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 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

The entity manufactures vaccines for the animal health care industry, primarily in South Africa and a number of other countries. Sales volumes are correlated to disease outbreaks, preventative and legislated vaccination programs. OBP produces the widest range of products for livestock in Africa and competes with large multinational pharmaceutical companies for 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.

2. Review of financial results and activities

The annual financial statements have been prepared in accordance with International Financial Reporting Standards 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.

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

3. 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 (Matai)	Other	Non-executive	South African
Dr. L Makuleni	Other	Non-executive	South African
Dr. D Konar	Other	Non-executive	South African

4. 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.

5. Ownership

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

6. Special resolutions

No special resolutions, the nature of which might be significant to the shareholder in their appreciation of the state of affairs of the entity were made by the entity during the period covered by this report.

7. Going concern

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

The Directors believe that the entity has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the entity is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact 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.

During the reporting period, the entity experienced a significant decrease in revenue compared to the prior year. Despite this decline, the entity continues to maintain a positive net asset position, with total assets exceeding liabilities by R361 million, and accumulated profits of R361 million as at 31 March 2025.

8. Funding

The entity generates funds from the sales of vaccines to meet operational requirements and receives no funding for normal operations. The construction of the GMP facility commenced in December 2017. The funding for the GMP facility was received from National Treasury in 2013/14. The construction of the GMP facility has not been completed.

9. Environment, health and safety

Due to the nature of the entity's operations it is imperative that the entity should conform to environmental, safety and health laws and regulations. The entity also strive to comply with ethical and international standards with regards to livestock. In order to manage and control these risks, a Safety Committee operated during the year. Activities in this regards are detailed in the Corporate Governance Report in the annual report.

10. Auditors

Auditor-General of South Africa (AGSA) continued in office as external auditors for the entity for 2025 in accordance with Section 84(4) and 85(1) of the Companies Act 71 of 2008 and the Public Audit Act of 2004.

11. Secretary

The company secretary is Advocate Peter Nthotso.

Postal address: Private Bag X07
Onderstepoort
0110

Business address: 100 Old Soutpan Road
Onderstepoort
0110

12. Audit, Risk and IT Committee

The Audit, Risk and IT Committee met nine 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 2025.

Samba Solutions Inc was appointed as the Internal Auditors.

13. National Key Point

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

Director's Report

Annual Financial Statement for the year ended 31 March 2025 | Onderstepoort Biological Products

The annual financial statements set out on Page 109, which have been prepared on the going concern basis, were approved by the board of directors on 31 May 2025, and were signed on its behalf by:

Approval of annual financial statements



Chairperson
Saturday, 31 May 2025

Statement of Financial Position as at 31 March 2025



Annual Financial Statement for the year ended 31 March 2025 | OBP

Figures in Rand	Note(s)	2025	2024 Restated *
Assets			
Non-Current Assets			
Property, plant and equipment	3	438 020 158	406 931 334
Intangible assets	4	3 440 031	4 264 615
		441 460 189	411 195 949
Current Assets			
Inventories	5	45 952 948	44 912 965
Trade and other receivables	6	29 443 176	28 273 004
Current tax receivable	12	3 883 510	-
Cash and cash equivalents	7	339 230 971	458 531 091
		418 510 605	531 717 060
Total Assets		859 970 794	942 913 009
Equity and Liabilities			
Equity			
Share capital	13	1 000	1 000
Retained income		361 377 695	377 223 219
		361 378 695	377 224 219
Liabilities			
Non-Current Liabilities			
Deferred income	11	427 750 156	438 800 805
Deferred tax	8	8 989 516	14 085 154
		436 739 672	452 885 959
Current Liabilities			
Trade and other payables	9	56 167 797	89 746 390
Lease liabilities	10	-	288 474
Deferred income	11	5 274 610	7 782 787
Current tax payable	12	-	13 633 829
Provisions		410 020	1 351 351
		61 852 427	112 802 831
Total Liabilities		498 592 099	565 688 790
Total Equity and Liabilities		859 970 794	942 913 009

* See Note 34

Statement of Profit or Loss and Other Comprehensive Income

Annual Financial Statement for the year ended 31 March 2025 | OBP

Figures in Rand	Note(s)	2025	2024 Restated *
Revenue	14	186 352 480	231 639 224
Cost of sales	15	(75 661 678)	(66 718 963)
Gross profit		110 690 802	164 920 261
Other operating income	16	8 992 579	12 498 917
Other operating gains (losses)	17	(9 280 419)	4 440 486
Movement in credit loss allowances		(431 629)	(609 102)
Research and development costs	18	(6 762 902)	(4 283 219)
Repairs and maintenance	21	(13 662 549)	(16 217 743)
Selling and distribution expenses	19	(6 611 992)	(4 552 421)
General and administrative expenses	20	(43 251 583)	(44 674 029)
Depreciation and amortisation	22	(6 012 704)	(3 810 338)
Personnel Expenses	23	(75 096 159)	(67 593 621)
Computer expenses	24	(4 741 765)	(1 629 422)
Operating (loss) profit		(46 168 320)	38 489 774
Investment income	25	25 410 412	33 668 395
Finance costs	26	(166 529)	(7 222 477)
(Loss) profit before taxation		(20 924 437)	64 935 692
Taxation	27	5 095 638	(27 652 522)
(Loss) profit for the year		(15 828 799)	37 283 170
Other comprehensive income		-	-
Total comprehensive (loss) income for the year		(15 828 799)	37 283 170

Statement of Changes in Equity



Annual Financial Statement for the year ended 31 March 2025 | OBP

Figures in Rand	Share capital	Retained income	Total equity
Opening balance as previously reported	1 000	323 808 799	323 809 799
Adjustments	-	16 131 250	16 131 250
Prior year adjustments			
Restated* Balance at 01 April 2023 as restated	1 000	339 940 049	339 941 049
Profit for the year	-	37 283 170	37 283 170
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	37 283 170	37 283 170
Opening balance as previously reported	1 000	377 223 217	377 224 217
Adjustments	-	(16 723)	(16 723)
Prior year adjustments			
Balance at 01 April 2024 as restated	1 000	377 206 494	377 207 494
Loss for the year	-	(15 828 799)	(15 828 799)
Other comprehensive income	-	-	-
Total comprehensive Loss for the year	-	(15 828 799)	(15 828 799)
Balance at 31 March 2025	1 000	361 377 695	361 378 695

Note(s)

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Statement of Cash Flows

Annual Financial Statement for the year ended 31 March 2025 | OBP

Figures in Rand	Note(s)	2025	2024 Restated *
Cash flows from operating activities			
Cash receipts from customers		180 184 433	221 395 832
Cash paid to suppliers and employees		(264 845 505)	(142 471 528)
Cash used in operations	28	(84 661 072)	78 924 304
Interest income	25	34 938 630	23 822 913
Finance costs	26	(17 880)	(7 222 477)
Tax paid		(14 813 381)	(572 694)
Net cash from operating activities		(64 553 703)	94 952 046
Cash flows from investing activities			
Purchase of property, plant and equipment	3	(49 682 950)	(12 117 543)
Purchases of intangible assets	4	-	(452 000)
Net cash from investing activities		(49 682 950)	(12 569 543)
Cash flows from financing activities			
Cash repayments on lease liabilities	10	(270 594)	(208 925)
Total cash movement for the year		(114 507 247)	82 173 578
Cash and cash equivalents at the beginning of the year		458 531 091	373 370 884
Currency translation movements		(4 792 873)	2 986 629
Cash and cash equivalents at the end of the year	7	339 230 971	458 531 091

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, IFRS Accounting Standards as required by the IFRS Foundation, and International Financial Reporting Standards Interpretations Committee ("IFRS IC") interpretations issued and effective at the time of preparing these annual financial statements and the Companies Act 71 of 2008 of South Africa as amended, the Treasury Regulations and the Public Finance Management Act 1 of 1999 (PFMA).

The annual financial statements comply with the requirements of the 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 company's functional currency and rounded to the nearest Rand.

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:

Deferred tax assets and liabilities

Onderstepoort Biological Products (SOC) Ltd 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.

Useful lives, residual values and assessment for impairment of assets.

Indirect Production costs

Production costs for finished goods include IPC's such as employee costs, depreciation, and maintenance. IPCs are measured based on a standard cost method which is reviewed regularly to ensure relevant measures of utilisation, production lead time and other relevant factors. Changes in the parameters for calculation of IPC's, including utilisation levels and production lead time, could have an impact on the gross margin and the overall valuation of inventories..

Allowances for doubtful trade receivables

Onderstepoort Biological Products (SOC) Ltd maintains allowances for doubtful trade receivables in anticipation of estimated losses resulting from the subsequent inability of customers to make required payments. If the financial circumstances of the customers were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances could be required in future periods. Management analyses trade receivables and examines historical bad debt, customer concentration, customer creditworthiness, current economic trends and changes in customer payment terms when evaluating the adequacy of the allowance for doubtful trade receivables.

Accounting Policies

Annual Financial Statement for the year ended 31 March 2025 | Onderstepoort Biological Products

1.2 Significant judgements and sources of estimation uncertainty (continued)

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The business uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on past history, existing market conditions, as well as forward-looking estimates at the end of each reporting period.

The entity writes off trade receivables when there is sufficient information indicating that the debtor is in severe financial distress without any realistic prospect of recovery and resulting in an impairment of their ability to make payments, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings in which case the balance will be written off. Trade receivables written off may still be subject to enforcement activities taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Key sources of estimation uncertainty

Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the company'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 whether inventory is impaired by comparing its cost to its estimated net realisable value. Where an impairment is necessary, inventory items are written down to net realisable value. The write down is included in cost of sales.

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

A valuation committee was established in order to determine the appropriate valuation techniques and inputs for each valuation. The committee reports to the CFO. Significant valuation issues are reported to the audit committee.

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.

Information about the specific techniques and inputs of the various assets and liabilities is disclosed in note and note .

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.

An impairment charge of R - arose on the North Rand Aluminium production plant, resulting in its carrying amount of R - being written down to a recoverable amount of R -. If the budgeted cost of capital rate used as the discount rate in the value in use calculation had been -% higher (lower) than management estimated, the impairment charge would have been R - (R - lower).

Management reviewed the recoverable amount of major equipment during the current period because increasing competitive forces indicated that there may have been a decline in the value in use of the equipment. An impairment test was performed and the recoverable amount of the equipment was assessed to be the value in use. Sales forecasts were applied in this calculation and management estimated an annual sales volume reduction on -% per annum for the following - years. This calculation resulted in an impairment loss of R - being recognised. Management also determined that should the annual sales volume differ by -% from the estimate per annum the impairment loss would have changed by R -. The carrying amount of the equipment after the impairment amounts to R -.

1.2 Significant judgements and sources of estimation uncertainty (continued)

Useful lives of property, plant and equipment

Management assess 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 company 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.

Some property leases contain variable payment tems that are linked to sales generated from a store. For individual stores, up to 100 per cent of lease payments are on the basis of variable payment terms and there is a wide range of sales percentages applied. Variable payment tems are used for a variety of reasons, including minimising the fixed costs base for newly established stores. Variable lease payments that depend on sales are recognised in profit or loss in the period in which the condition that triggers those payments occurs.

A 5% increase in sales across all stores in the group with such variable lease contracts would increase total lease payments by approximately -% to -%.

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 are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the company and the cost can be measured reliably. Day to day servicing costs are included in profit or loss in the year in which they are incurred.

Property, plant and equipment is subsequently stated at cost less accumulated depreciation and impairment losses.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the 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 30 years
Buildings - Demontable partitions	Straight line	6 to 7 years
Furniture and fixtures	Straight line	3 to 6 years
Motor vehicles	Straight line	3 to 7 years
Manufacturing equipment	Straight line	2 to 27 years
Computer equipment	Straight line	2 to 7 years
Leased assets	Straight line	2 to 5 years

Accounting Policies

Annual Financial Statement for the year ended 31 March 2025 | Onderstepoort Biological Products

1.3 Property, plant and equipment (continued)

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. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate.

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.

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 performed an assessment of indicators of impairment on 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.

Based on this assessment, no indicators of impairment were identified for the current reporting period. Accordingly, no 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 will reassess 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. Any profit or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is derecognised.

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 has been obtained, which is the point in time from which the intangible asset is 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.

No internally generated intangible assets.

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

Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows:

1.4 Intangible assets (continued)

Item	Depreciation method	Average useful life
Patents	Straight line	3 years
Trademarks	Straight line	10 years
Computer software, other	Straight line	2 to 11 years

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

There were no indicators of impairment for intangible assets and no impairment tests were performed.

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
- Mandatorily at fair value through profit or loss. (This applies to contingent consideration in a business combination or to liabilities which are held for trading); 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:

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.

Accounting Policies

Annual Financial Statement for the year ended 31 March 2025 | Onderstepoort Biological Products

1.5 Financial instruments (continued)

Financial liabilities at fair value through profit or loss

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

Recognition and measurement

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

They are subsequently measured at amortised cost using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. 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

Trade and other payables denominated in foreign currencies

When trade payables are denominated in a foreign currency, the carrying amount of the payables are 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).

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.

Reclassification

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 is the beginning of the first reporting period following the change in business model which necessitates a reclassification.

Financial liabilities are not reclassified.

1.6 Tax

Current tax assets and liabilities

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

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.

1.6 Tax (continued)

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.

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 recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises 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 determine 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 concluded that the contract deals with an identified asset, the right to control the use thereof 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..

No contracts were identified that required specific judgement as to whether they contained leases.

Accounting Policies

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1.7 Leases (continued)

Company 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.

Right-of-use assets

Right-of-use assets are presented within property, plant and equipment 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 commencement date, over the shorter period of lease term and 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 or net realisable value on the cost which is determined using the weighted average cost method.

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.

Cost is calculated using the weighted average cost method. The net realisable value represents the estimated selling price less all estimated costs of completion such as:

- Raw material costs per unit
- Packaging costs per unit
- Marketing costs

1.8 Inventories (continued)

- Depreciation costs
- Staff costs and;
- Other overhead costs

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

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.

Cost is determined by using the weighted average cost method. Cost comprises of direct production on costs, such as raw materials, consumables, labour, as well as production overheads such as depreciation and maintenance.

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

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 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, then it is determined for the cash generating unit to which the asset belongs.

Impairment losses are recognised immediately in profit or loss.

1.10 Share capital and equity

Equity instruments issued by the company 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 plans and the contributions to such defined contribution plans are charged to the Statement of Financial Performance in the year to which they relate. The plans are administered by the Government Employee Pension Fund and Alexandra Forbes Fund, and the entity has no further payment obligations once the contributors have been paid.

Accounting Policies

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1.12 Provisions and contingencies

The company 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 company 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 a contract that is onerous and meets the recognition criteria, the present obligation under the contract shall be recognised and measured as a provision.

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. Contingencies are disclosed in 31.

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..

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 Government grants (continued)

1.13.2 Government grant – Small-Animal Building

The government grant was received in 2001 was utilised to build the small-animal facility. The grant is amortised over the same period as the useful life of the asset (small-animal facility). The government grant is presented in the Statement of Profit or Loss by setting up the grant as deferred income. The deferred income is recognised as income on a systematic and rational basis over the useful life of the asset.

With the completion of the erection of the small-animal facility, the condition for the grant is viewed as being met.

1.13.3 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 by setting up the grant as deferred income. The deferred income is recognised as income on a systematic and rational basis over the useful life of the asset.

1.13.4 Government grant - Research and Development

The Tshwane Animal Health Innovation Cluster (TAHIC) grant relates to amounts received by OBP from the 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 company recognises revenue from the following major sources:

- Sales of animal vaccines

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The entity recognises revenue when it transfers control of a product or service to a customer.

Revenue comprises of sales to customers and service rendered to customers. Revenue is recognised at the invoice amount and is exclusive of value added taxation and discounts.

Revenue is income arising in the course of OBP ordinary activities. Revenue is recognised to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled to in exchange for goods and services.

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

Annual Financial Statement for the year ended 31 March 2025 | Onderstepoort Biological Products

1.14 Revenue from contracts with customers (continued)

Sale of animal vaccines

For sales of vaccine goods to the market, revenue is recognised when control of the goods has transferred, being when the goods have been collected or shipped to the 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 company when the goods are collected or delivered to the customer 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 the sales are made with a credit term of as agreed, which is consistent with market practice.

Revenue and Investment income

Investment Income

Interest is recognised as revenue using the effective interest method.

Other income

Other income comprises of 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

1.15 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 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.

1.16 Borrowing costs

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

1.17 Translation of foreign currencies

Foreign currency transactions

A foreign currency transaction shall be recorded, on initial recognition in the functional currency, by applying to the foreign currency amount 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 the transaction first qualifies for recognition in accordance with IFRSs. 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.

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.

1.18 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.

1.19 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 amounts are 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 30.

Notes to the Annual Financial Statements

Annual Financial Statement for the year ended 31 March 2025 | Onderstepoort Biological Products

Figures in Rand	2025	2024
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2. New Standards and Interpretations

2.1 Standards and interpretations effective and adopted in the current year

In the current year, the entity has not adopted any new standards and interpretations.

2.2 Standards and Interpretations early adopted

The company has chosen to early adopt the following standards and interpretations:

2.3 Standards and interpretations not yet effective

The company has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the company's accounting periods beginning on or after 01 April 2025 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	01 January 2009	Unlikely there will be a material impact
• IFRS 19 Subsidiaries without Public Accountability: Disclosures	01 January 2027	Unlikely there will be a material impact
• IFRS 18 Presentation and Disclosure in Financial Statements	01 January 2027	Unlikely there will be a material impact
• Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards.	01 January 2026	Unlikely there will be a material impact
• Amendments to IFRS 7 Financial Instruments: Disclosures	01 January 2026	Unlikely there will be a material impact
• Amendments to IFRS 9 Financial Instruments	01 January 2026	Unlikely there will be a material impact
• Amendments to IFRS 9 Financial Instruments	01 January 2026	Unlikely there will be a material impact
• Amendments to IFRS 10 Consolidated Financial Statements	01 January 2026	Unlikely there will be a material impact
• Amendments to IAS 10 Statement of Cash flows	01 January 2026	Unlikely there will be a material impact
• Amendments to IFRS 9 and IFRS 7: Amendments to the Classification and Measurement of Financial Instruments.	01 January 2026	Unlikely there will be a material impact
• Lack of exchangeability - amendments to IAS 21	01 January 2025	Unlikely there will be a material impact

Figures in Rand

3. Property, plant and equipment

	2025			2024		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Land	5 105 340	-	5 105 340	5 105 340	-	5 105 340
Buildings	93 058 076	(46 909 309)	46 148 767	93 008 090	(43 203 299)	49 804 791
Furniture and fixtures	2 144 376	(1 601 904)	542 472	1 924 012	(1 718 855)	205 157
Motor vehicles	1 502 302	(933 028)	569 274	1 502 302	(664 810)	837 492
Office equipment	262 720	(229 407)	33 313	267 920	(219 078)	48 842
IT equipment	7 050 023	(4 790 571)	2 259 452	7 667 507	(5 267 460)	2 400 047
Leased Assets	546 388	(546 388)	-	546 388	(273 194)	273 194
Manufacturing Equipment	145 441 316	(84 094 985)	61 346 331	154 167 221	(87 069 890)	67 097 331
Capital Work in progress	322 015 209	-	322 015 209	281 159 140	-	281 159 140
Total	577 125 750	(139 105 592)	438 020 158	545 347 920	(138 416 586)	406 931 334

Notes to the Annual Financial Statements

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Figures in Rand	2025	2024				
3. Property, plant and equipment (continued)						
Reconciliation of property, plant and equipment - 2025						
	Opening balance	Additions	Disposals	Transfers	Depreciation	Total
Land	5 105 340	-	-	-	-	5 105 340
Buildings	49 804 791	49 985	-	-	(3 706 009)	46 148 767
Furniture and fixtures	205 157	242 438	(7 162)	176 635	(74 596)	542 472
Motor vehicles	837 492	-	-	-	(268 218)	569 274
Office equipment	48 842	-	(200)	-	(15 329)	33 313
Computer Equipment	2 400 047	879 399	(178 525)	-	(841 469)	2 259 452
Leased Assets	273 194	-	-	-	(273 193)	1
Manufacturing equipment	67 097 331	4 470 994	(4 122 688)	864 125	(6 963 431)	61 346 331
Capital Work in progress	281 159 140	43 396 829	(1 500 000)	(1 040 760)	-	322 015 209
	406 931 334	49 039 645	(5 808 575)		(12 142 245)	438 020 159

Figures in Rand	2025	2024
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3. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2024

	Opening balance	Additions	Disposals	Transfers	Depreciation	Total
Land	5 105 340	-	-	-	-	5 105 340
Buildings	39 400 934	-	-	13 855 288	(3 451 431)	49 804 791
Furniture and fixtures	129 579	97 873	(1 515)	-	(20 780)	205 157
Motor vehicles	1 107 959	-	-	-	(270 467)	837 492
Office equipment	63 557	869	-	-	(15 584)	48 842
Computer equipment	2 163 362	867 785	(562)	-	(630 538)	2 400 047
Leased Asset	-	546 388	-	-	(273 194)	273 194
Manufacturing equipment	69 414 807	-	(917 887)	5 561 529	(6 961 118)	67 097 331
Capital Work in progress	289 971 329	10 604 628	-	(19 416 817)	-	281 159 140
	407 356 867	12 117 543	(919 964)		(11 623 112)	406 931 334

Notes to the Annual Financial Statements

Annual Financial Statement for the year ended 31 March 2025 | Onderstepoort Biological Products

Figures in Rand

3. Property, plant and equipment (continued)

Property, plant and equipment encumbered as security

There were no PPE encumbered as security.

Net carrying amounts of leased assets

Leased Assets	-	273 194
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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 company.

Figures in Rand	2025	2024
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4. Intangible assets

	2025			2024		
	Cost / Valuation	Accumulated amortisation	Carrying value	Cost / Valuation	Accumulated amortisation	Carrying value
Computer software, other	7 719 737	(4 279 706)	3 440 031	7 719 737	(3 455 122)	4 264 615

4. Intangible assets (continued)

Reconciliation of intangible assets - 2025

	Opening balance	Additions	Amortisation	Impairment reversal	Total
Computer software, other	4 264 615	-	(824 584)	-	3 440 031

4. Intangible assets (continued)

Reconciliation of intangible assets - 2024

	Opening balance	Additions	Amortisation	Total
Computer software, other	3 794 743	1 341 899	(872 027)	4 264 615

Pledged as security

There were no intangibles that were pledged as security

Notes to the Annual Financial Statements

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Figures in Rand	2025	2024
5. Inventories		
Raw materials, components	5 675 378	6 971 538
Work in progress	9 539 591	2 857 811
Finished Goods	22 026 056	22 277 014
Maintenance Spares	85 279	84 948
Packaging materials	7 513 667	9 871 761
Consumables	3 319 785	3 713 133
	48 159 756	45 776 205
Inventories (write-downs)	(2 206 808)	(863 240)
	45 952 948	44 912 965
Carrying value of inventories carried at fair value less costs to sell	(5 940 191)	(863 240)
Stock write off in the current year was due to in-year adjustment resulting from stock counts and also adjusted at year end resulting from a measurement of lower cost and NRV assessment.		
In the prior year, inventories were written down to net realisable value as result of lower of cost and NRV.		
Inventory pledged as security		
There were no inventory pledged as security.		
6. Trade and other receivables		
Financial instruments:		
Trade receivables	20 362 063	16 503 040
Accrued income	-	9 528 218
Loss allowance	(1 591 521)	(1 159 892)
	18 770 542	24 871 366
Trade receivables at amortised cost	115 382	115 382
Deposits	184 353	130 829
Other Receivables		
Non-financial instruments:		
VAT	9 158 509	2 394 421
Staff debtors	80 174	253 297
Prepaid Expenditure	1 134 216	507 709
Total trade and other receivables	29 443 176	28 273 004
Financial instrument and non-financial instrument components of trade and other receivables		
At amortised cost	19 070 277	25 002 195
Non-financial instruments	10 372 899	876 388
	29 443 176	25 878 583
Trade and other receivables pledged as security		
There were no trade and other receivables that were pledged as security.		
Exposure to currency risk		
Refer to note for details of currency risk management for trade receivables.		
Fair value of trade and other receivables		
The fair value of trade and other receivables approximates their carrying amounts.		

Figures in Rand	2025	2024
7. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Cash on hand	10 001	10 000
Bank balances	237 373 794	337 415 102
Short-term deposits	101 847 176	121 105 989
	339 230 971	458 531 091
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 (if available) or historical information about counterparty default rates:		
Exposure to currency risk		
Refer to note 29 Financial instruments and financial risk management for details of currency risk management for cash and cash equivalents.		
8. Deferred tax		
Deferred tax liability		
Other deferred tax liability	(8 989 516)	(14 085 154)
The deferred tax assets and the deferred tax liability relate to income tax in the same jurisdiction, and the law allows net settlement. Therefore, they have been offset in the statement of financial position as follows:		
Deferred tax liability	(8 989 516)	(14 085 154)
Reconciliation of deferred tax asset / (liability)		
At beginning of year	(14 085 154)	(8 989 516)
Movement in current year	5 095 638	(5 095 638)
	(8 989 516)	(14 085 154)
9. Trade and other payables		
Financial instruments:		
Trade payables	9 720 566	20 270 538
Other payables *	376 782	444 809
Accrued leave pay	4 837 290	3 906 533
Other accrued expenses	13 855 898	1 944 887
Debtors with credit balances	2 153 315	2 978 985
Non-financial instruments:		
Amounts received in advance	25 223 946	60 200 638
	56 167 797	89 746 390

*Other payables relates to employers liability for Workmans Compensation (COIDA)

10. Leases (company as lessee)

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

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

Notes to the Annual Financial Statements

Annual Financial Statement for the year ended 31 March 2025 | OBP

Figures in Rand

10. Leases (company as lessee) (continued)

	2025			2024		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Computer software	546 388	(546 388)	-	546 388	(273 194)	273 194

Figures in Rand	2025	2024
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10. Leases (company as lessee) (continued)

Net carrying amounts of right-of-use assets

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

Leased Assets	-	273 194
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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), as well as depreciation which has been capitalised to the cost of other assets.

Computer software	-	273 194
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Lease liabilities

The maturity analysis of lease liabilities is as follows:

Within one year	-	306 354
Less finance charges component	-	306 354
	-	(17 880)
	-	288 474
Current liabilities	-	288 474

11. Deferred income

Deferred Research and Development Grant	9 645 310	17 410 181
Deferred Government Grant - Corporatisation of OBP SOC Ltd	99 430	1 017 211
Deferred Recapitalisation Grant	423 057 869	427 421 541
Other deferred income	222 157	734 659
	433 024 766	446 583 592

Split between non-current and current portions

Non-current liabilities	427 750 156	438 800 805
Current liabilities	5 274 610	7 782 787
	433 024 766	446 583 592

The nature and extent of government grants recognised in the annual financial statements and an indication of other forms of government assistance from which the entity has directly benefited; and

Unfulfilled conditions and other contingencies attaching to government assistance that has been recognised.

Notes to the Annual Financial Statements

Annual Financial Statement for the year ended 31 March 2025 | OBP

Figures in Rand	2025	2024
11. Deferred income (continued)		
Deferred Research and Development		
Opening balance	427 421 541	432 874 239
Amortization	(4 363 672)	(5 452 698)
	423 057 869	427 421 541
Deferred Government Grant - Corporatisation of OBP SOC Ltd		
Opening balance	1 017 212	4 721 159
Prior year adjustment	-	(1 547 184)
Amortisation	(917 781)	(2 156 763)
	99 431	1 017 212
Deferred Government Grant - Corporatisation of OBP SOC Ltd		
Opening balance	18 144 840	19 521 864
Refunds	(7 673 571)	-
Amortisation	(811 508)	(1 545 640)
Other adjustment	207 707	168 616
	9 867 468	18 144 840
12. Current tax payable (receivable)		
Normal tax	3 883 510	(13 633 829)
Net current tax receivable (payable)		
Current assets	3 883 510	572 694
13. Share capital		
Authorised		
1000 Ordinary shares of R1 each	1 000	1 000
Issued		
Ordinary	1 000	1 000
14. Revenue		
Revenue from contracts with customers		
Sale of goods	186 352 480	231 639 224

Figures in Rand	2025	2024
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14. Revenue (continued)

Disaggregation of revenue from contracts with customers

The company disaggregates revenue from customers as follows:

Sale of goods

Sale of goods	184 824 767	226 325 922
Delivery services	1 527 713	5 313 302
	186 352 480	231 639 224

Sale of goods

Gross Revenue	-	-	203 116 183	235 824 007
Discount Granted	-	-	(18 291 416)	(9 498 085)
Delivery services	-	-	1 527 713	5 313 302
	-	-	186 352 480	231 639 224

Timing of revenue recognition

At a point in time

Sale of goods	186 352 480	231 639 224
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15. Cost of sales

Sale of goods	75 661 678	66 718 963
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16. Other operating income

Other rental income	809 397	484 402
Bad debts recovered	19 728	39 185
Other income	586 697	151 749
Learnership income	149 748	150 500
Discount Received	1 334 048	2 568 946
Government grants	6 092 961	9 104 135
	8 992 579	12 498 917

Notes to the Annual Financial Statements

Annual Financial Statement for the year ended 31 March 2025 | OBP

Figures in Rand	2025	2024
17. Other operating gains (losses)		
Write off of Property, plant and equipment		
Property, plant and equipment	3	(4 312 347)
		(920 081)
Foreign exchange gains (losses)		
Net Relialized forex		(4 648 737)
Realisation of foreign currency translation reserve		(319 335)
		(4 968 072)
		5 120 770
		239 797
		5 360 567
Total other operating gains (losses)	(9 280 419)	4 440 486
18. Research and development costs		
Research and development costs		6 762 902
		4 283 219
19. Selling and distribution expenses		
Advertising		26 700
Brochures		-
Conference Seminar		1 847
Invoice Rounding		75 369
		(14)
Donation Sponsorships		30 000
Entertainment and PR		315 247
Exhibitions		3 017 240
Marketing and Sponsorship		429 694
Promotional Gifts		30 630
Travel and Accommodation Overseas		1 356 083
Travel and Accommodation		1 331 042
Application Rounding		1
		24
	6 611 992	4 552 420
20. General and administrative expenses		
Accounting and Audit Services		3 591 916
Bank Charges		226 652
Bad Debt Expenses		442 145
Cleaning Materials		18 183
Fuel and Motor Oil		298 221
Insurance		2 528 783
Legal Services		4 435 501
License & Registration Fees		55 711
Printing and Stationery		235 079
Motor Repairs and Maintenance		-
Rates and Taxes		1 072 179
Rent - Equipment		39 959
Rent - Garment		-
Security		2 486 066
Subscription Fees		16 538
Sundry Expenses		9 981
Telephone and Fax		997 305
Vehicles Tracking		11 545
Water and Sanatation		710 707
Electricity charges		1 936 297
Manufacturing overheads		24 138 811
	43 251 579	44 674 029

Figures in Rand	2025	2024
20. General and administrative expenses (continued)		
Included under Manufacturing overheads are the following expenses		
Consumable Stores	1 456 781	1 396 803
Inventory Adjmt., Raw Mat.	2 427 505	549 152
Purchases of Raw Materials	33 565 521	32 654 716
Direct Cost Applied, Rawmat.	(32 618 078)	(30 622 161)
Overhead Applied, Rawmat.	8 402 652	11 414 837
Royalty on Blood Vaccines	5 686 639	5 026 931
Material Variance	-	49 308
Packing Materials	511 718	483 204
AM - Inventory Adj. PlantEquip	-	39 556
Delivery Expenses	4 053 553	5 740 947
Medical Consumables	652 520	434 665
	24 138 811	27 167 958
21. Repairs and maintenance		
Repairs and Main Equipment	13 531 204	16 008 409
Terrain Maintenance	22 610	-
Repairs and Maintenance	108 735	209 334
	13 662 549	16 217 743
22. Depreciation, amortisation and impairment losses		
Depreciation		
Property, plant and equipment	5 188 120	2 938 311
Amortisation		
Intangible assets	824 584	872 027
Total depreciation, amortisation and impairment	5 188 120	2 938 311
Depreciation	5 188 120	2 938 311
Amortisation	824 584	872 027
	6 012 704	3 810 338
23. Personnel expenses		
Basic salaries	60 612 278	55 575 921
Directors fees	1 727 176	1 236 741
Contractors and temps	2 243 999	2 277 693
Recruitment Costs	797 572	933 829
Worksman Compensation	376 727	444 809
SDL	828 792	752 595
Leave pay provision charge	930 756	389 967
Overtime	5 073 325	3 680 483
Car Allowence	423 640	89 011
Training	1 723 723	944 432
Staff Welfare & Refreshments	-	8 885
Long service award	358 171	1 259 255
	75 096 159	67 593 621

Notes to the Annual Financial Statements

Annual Financial Statement for the year ended 31 March 2025 | OBP

Figures in Rand	2025	2024
24. Computer expenses		
Computer costs	2 082 053	524 795
Software Costs	2 659 712	1 104 627
	4 741 765	1 629 422
25. Investment income		
Interest income		
Investments in financial assets:		
Bank and other cash	25 410 412	33 351 131
Interest from SARS	-	317 264
Total interest income	25 410 412	33 668 395
Interest accrued of R9 528 218 was received in the current year. Total interest received in the current year was R34 938 630.		
26. Finance costs		
Lease liabilities	17 880	48 439
Interest on Freeze Dryer Provision	148 649	-
Late payment of tax (Tax authorities)	-	7 174 038
Total finance costs	166 529	7 222 477
27. Taxation		
Major components of the tax expense (income)		
Current		
Local income tax - current period	-	19 972 288
Deferred		
Deferred tax	(5 095 638)	7 680 234
	(5 095 638)	27 652 522
Reconciliation of the tax expense		
Reconciliation between applicable tax rate and average effective tax rate.		
Applicable tax rate	27.00 %	27.00 %
Other taxable items	- %	17.72 %
Research and Development Costs	(2.61)%	(2.90)%
Donation and Sponsorship	(0.04)%	- %
Legal services	(2.61)%	- %
Research and Development Costs	0.90 %	- %
Depreciation on buildings	(5.06)%	- %
Amortization of deferred income	10.69 %	- %
Other non-taxable items	(3.92)%	0.76 %
	24.35 %	42.58 %

Figures in Rand	2025	2024
28. Cash (used in)/generated from operations		
Profit (Loss) before taxation	(17 211 453)	60 991 008
Adjustments for non-cash items:		
Depreciation, amortisation, impairments and reversals of impairments	6 003 401	3 810 338
Losses on sale of assets and liabilities	4 309 246	920 080
Losses (gains) on exchange differences	175 199	(93 225)
Movement in credit losses	431 629	609 102
Leave accrual Movement	930 757	389 967
Other non-cash item included in profit or loss - Deferred income	(7 427 010)	(11 673 082)
Other non-cash item adjustments	(525 340)	27 761 015
Adjust for items which are presented separately:		
Interest income	(25 410 412)	(33 668 395)
Finance costs	17 880	7 222 477
Changes in working capital:		
(Increase) decrease in inventories	(4 642 759)	11 343 439
(Increase) decrease in trade and other receivables	(1 601 801)	(5 953 130)
Increase (decrease) in trade and other payables	(33 578 593)	14 468 396
Increase (decrease) in deferred income	(6 131 816)	2 796 314
	(84 661 072)	78 924 304

Notes to the Annual Financial Statements

Annual Financial Statement for the year ended 31 March 2025 | Onderstepoort Biological Products

Figures in Rand	2025	2024		
29. Financial instruments and risk management				
Categories of financial instruments				
Categories of financial assets				
2025				
Trade and other receivables	Note(s) 6	Amortised cost 19 070 277	Total 19 070 277	Fair value 19 070 277
Cash and cash equivalents	7	339 230 971	339 230 971	339 230 971
		358 301 248	358 301 248	358 301 248
2024				
Trade and other receivables	Note(s) 6	Amortised cost 25 117 577	Total 25 117 577	Fair value 25 117 577
Cash and cash equivalents	7	458 531 091	458 531 091	458 531 091
		483 648 668	483 648 668	483 648 668
Categories of financial liabilities				
2025				
Trade and other payables	Note(s) 9	Amortised cost 26 106 561	Total 26 106 561	Fair value 26 106 561
2024				
Trade and other payables	Note(s) 9	Amortised cost 25 639 219	Leases -	Total 25 639 219
Finance lease obligations	10	-	288 474	Fair value 25 639 219
		25 639 219	288 474	25 927 693
				288 474

Figures in Rand	2025	2024
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29. Financial instruments and risk management (continued)

Financial risk management

Overview

The company 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 consists mainly of cash deposits, cash equivalents, and trade debtors. The entity only deposits cash with major banks with high quality credit standing and limits exposure to any one counter party.

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

Notes to the Annual Financial Statements

Annual Financial Statement for the year ended 31 March 2025 | Onderstepoort Biological Products

Figures in Rand

29. Financial instruments and risk management (continued)

		2025			2024		
		Gross carrying amount	Credit loss allowance	Amortised cost / fair value	Gross carrying amount	Credit loss allowance	Amortised cost / fair value
Trade and other receivables	6	31 034 697	(1 591 521)	29 443 176	29 432 896	(1 159 892)	28 273 004
Cash and cash equivalents	7	339 230 971	-	339 230 971	458 531 091	-	458 531 091
		370 265 668	(1 591 521)	368 674 147	487 963 987	(1 159 892)	486 804 095

Liquidity risk

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.

2025		Carrying amount
Current liabilities		
Trade and other payables		25 168 579
2024		
	Less than 1 year	Total
Current liabilities		Carrying amount
Trade and other payables	9	25 069 219
Lease liabilities		288 474
		25 069 219
		288 474
		25 639 219
		288 474

2025

Foreign currency risk

Foreign exchange contracts are entered into to manage exposure to fluctuations in foreign currency exchange rates on specific transactions both for sale exports and for the acquisition of imported raw material and plant and equipment, except where the entity has offsetting exposures. OBP has a USD and EURO account which exposes it to foreign exchange risk. The exchange risk is monitored through internal policy that mitigates fluct.

At 31 March 2024, the company had no open forward contracts. The recognition of foreign exchange gains and losses is recorded according to IAS 21. A Freeze Dryer has been purchased, and the EURO account will be utilised to settle the supplier invoice.

Interest rate risk

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

Figures in Rand

29. Financial instruments and risk management (continued)

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 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.

30. Commitments

Authorised capital expenditure

Already contracted provided for

• Property, plant and equipment	31 331 216	91 718 531
• Contracts	-	26 266 373
•	31 311 216	117 984 904

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

Notes to the Annual Financial Statements

Annual Financial Statement for the year ended 31 March 2025 | Onderstepoort Biological Products

31. Contingencies

Former employee vs OBP (damage to employee's vehicle)	1 000 000	1 000 000
HH vs OBP	5 000 000	-
Former employee vs OBP (Allegations of unfair dismissal)	800 000	-
	6 800 000	1 000 000

Former employee vs OBP

Former employee requested the Office of the Public Protector to investigate an alleged irregular expenditure for GMP grant funding allocated to OBP. OBP filed a response to the Public Protector on all allegations made. There is a low probability of incurring any further costs. The matter is handled internally. Amount is unquantifiable.

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.

OBP contractor vs OBP

A contractor sued OBP for contractual liability for cancellation of the contract. Summons received in March 2024, a notice of appearance to defend filed and a special plea filed. Awaiting court date. There is a high probability of paying the amount in dispute and incurring costs for both OBP and the contractor.

NGO vs OBP

The NGO allege that there was an undertaking of donation of livestock once tests were conducted on them. To date no further legal pleadings have been received from the Applicant. There is a low probability of incurring costs. Matter is being handled internally.

South African Agricultural Initiative (SAAI) // OBP

Request for information under the PAIA wherein SAAI have requested OBP to provide them with information such as vaccines that OBP has registered with Act 36, volumes produced and sold etc. This outstanding formation was provided. There is a low probability of incurring costs. The matter will be handled internally.

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.

Donor vs OBP

OBP/ARC received funding from a donor to develop Vaccine, subject to a Technology Transfer and commercialization agreement being entered into. The donor claims that OBP did not comply with the provisions of the funding agreement and appointed attorneys to refer the matter to Arbitration. An independent arbitrator has been appointed. The inception meeting between the parties took place on 17 December 2024. We shall await further engagements with the parties on this matter. There is a low probability of incurring costs. The matter is being handled internally.

31. Contingencies (continued)

Former employee vs OBP

Allegations of unfair dismissal against OBP. Papers are being filed at Labour Court. There is a high probability of incurring costs.

Former employees vs OBP

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

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

Heading

HH vs OBP	5 000 000	-
OBP vs A contractor	15 000 000	-
OBP vs JNO	315 000	-
	20 315 000	-

HH vs OBP

HH is a former service provider to OBP. OBP terminated the agreement based on a “termination for convenience” clause in the agreement. 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 low probability of incurring costs.

OBP vs A contractor

Contractual dispute. OBP is applying to the High Court to have the initial tender awarded to the contractor set aside due to tender irregularities. There is a high probability of incurring legal costs..

Criminal investigations

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

Criminal investigations

Fruitless and Wasteful expenditure that occurred in the 2020/2021 fiscal year. The matter under investigation by SAPS. Awaiting the outcome of investigations. There is a low probability of incurring costs.

OBP vs JNO

Breach of Rental Agreement and eviction. Just Nature Organics rents a portion of OBP's property. JNO are significantly behind with their rent and refusing to pay despite numerous notices sent to them. Negotiations are ongoing. There is high probability of incurring costs..

Notes to the Annual Financial Statements

Annual Financial Statement for the year ended 31 March 2025 | OBP

Figures in Rand	2025	2024
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32. Related parties

Relationships

Mr Mzwanele Nyhontso -Executive Authority	Minister of Agriculture Land Reform & Rural Development
3B Public Entity with common Executive Authority Department of Agriculture Land Reform & Rural Development	Onderstepoort Veterinary Institute (OVI). 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.

Related party balances

Amounts included in Trade receivable (Trade Payable) regarding related parties

Department of Agriculture, Rural Development, Land and Environmental Affairs - Mpumalanga	5 680	-
Agricultural Research Council (ARC)	704	10 463
Department of Agriculture and Rural Development- North West	-	7 069
Department of Agriculture and Rural Development - Limpopo	-	(2 040 924)
Department of Agriculture and Rural Development -National	-	(60 200 638)
Agricultural Research Council (ARC)	(1 122 308)	-
Council for Scientific and Industrial Research	(560 721)	-
	(1 676 645)	(62 224 030)

Related party transactions

Sales to related parties

Department of Agriculture, Rural Development, Land and Environmental Affairs - Mpumalanga	(4 939)	(3 504 230)
Agricultural Research Council (ARC)	(130 368)	(26 722)
Department of Agriculture Land Reform & Rural Development - National	(30 414 515)	(17 728 775)
Department of Rural Development and Agrarian Reform - Eastern Cape	-	(15 392)
Department of Agriculture and Rural Development - Limpopo	(8 623 482)	(10 332 322)
Department of Agriculture and Rural Development - Free State	(41 261)	(778)
Department of Agriculture Land Reform & Rural Development - Allerton Vet Lab	(20 453)	(9 180)
SAPS veterinary Services	-	(146 325)
Department of Agriculture and Rural Development- North West	(72 551)	(158 412)
	(39 307 569)	(31 922 136)

Purchases from related parties

Agricultural Research Council (ARC)	17 952 389	16 160 142
Council for Scientific and Industrial Research	589 195	-
Department of Agriculture Land Reform & Rural Development - National	32 278	-
South African Health Product Regulatory Authority - National	15 100	-
	18 588 962	16 160 142

Compensation to directors

Non-executive directors' emoluments	1 856 254	1 384 962
Executive directors' emoluments	12 130 359	11 764 670

Notes to the Annual Financial Statements



Annual Financial Statement for the year ended 31 March 2025 | Onderstepoort Biological Products

Figures in Rand	2025	2024				
33. Directors' emoluments						
Executive						
2025						
Directors' emoluments	Basic salary	Expense Allowances	Other material benefits	Contributions paid under pension scheme	Contributions of officers 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 Executive)	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 (Chief Financial Officer)	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						

2024

Directors' emoluments	Basic salary	Expense allowances	Other material benefits	Contributions paid under pension scheme	Contributions of officers liability insurance cover	Total
Services as director or prescribed officer						
Dr. MB Nthangeni (Chief Scientific Officer)	1 825 676	4 159	3 000	159 556	18 521	2 010 912
***Ms K Govender (Acting CFO)	150 515	800	-	-	2 564	153 879
****Ms C Sheraton (Corporate Services Executive)	779 061	-	199 573	51 937	-	1 030 571
Mr CK Manickum	1 765 608	4 243	3 000	125 148	18 521	1 916 520
****Advocate P van der Sandt (HLCS) 506	506 467	-	85 815	22 530	10 099	624 911
*Dr. B Ntshabele (Minister's representative)	-	600	125 790	-	-	126 390
Dr. J Modumo (Business Development Officer)	1 557 197	144 000	125 218	121 873	18 521	1 966 809

Notes to the Annual Financial Statements

Annual Financial Statement for the year ended 31 March 2025 | Onderstepoort Biological Products

Figures in Rand	2025	2024
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33. Directors' emoluments (continued)

Ms E Govender (Chief Financial Officer)	2 165 674	-	3 000	-	18 521	2 187 195
**Mr L Mabombo (Interim CEO)	1 256 680	-	478 298	-	12 505	1 747 483
	10 006 878	153 802	1 023 694	481 044	99 252	11 764 670

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

**Mr L Mabombo (Interim CEO) was appointed from 9 November 2021 to 31 October 2023.

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

****Advocate P van der Sandt (HLCS) was appointed from 1 October 2021 and resigned in August 2023.

*****Ms C Sheraton was seconded as from 7 February 2022 to 30 September 2023 and appointed permanently from 1 October

Non-executive

2025

Directors' emoluments	Fees	Expense allowances	Contributions of officers liability insurance cover	Total
Services as director or prescribed officer				
Prof. P.L. Mabeta	329 809	13 359	343 168	
Dr. D Konar	322 441	13 359	335 800	
Dr. N Skeepers	200 915	13 359	214 274	
Mr R Mahabeer	402 142	13 359	415 501	
Mr MJ Kgobokoe	248 917	13 359	262 276	
Ms S Ntiyantiya (Matai)	15 307	13 359	28 666	
Dr. L Makuleni	243 210	13 359	256 569	
	1 762 741	93 513	1 856 254	

2024

Directors' emoluments	Fees	Expense allowances	Contributions of officers liability insurance cover	Total
Services as director or prescribed officer				
Prof. P.L. Mabeta	86 054	7 500	6 016	99 570
Mr MJ Kgobokoe	69 824	-	6 016	75 840
Dr. N Skeepers	62 094	-	6 016	68 110
Mr R Mahabeer	71 245	-	6 016	77 261
Mr MJ Kgobokoe	72 463	-	6 016	78 479
Ms S Ntiyantiya (Matai)	-	-	6 016	6 016
Dr. L Makuleni	66 685	-	6 016	72 701
Ms R Kenosi (Chairperson of the Board)	284 668	10 500	12 505	307 673
Ms N Sonjani	165 018	-	12 505	177 523
Ms K Naidoo	122 514	-	12 505	135 019
Mr L Nematswerane	103 687	-	12 505	116 192
Prof. K Nephawhe	139 552	-	12 505	152 057
**Dr B Ntshabele (Minister's representative)	-	-	18 521	18 521
	1 243 804	18 000	123 158	1 384 962

34. Prior period errors

1. Deferred Government Grants - NRF

During the current financial year, it was identified that the prior year salaries for students funded externally by the National Research Foundation (NRF) were incorrectly recorded as recoverable. Although the NRF funding was received late, OBP had already utilised its own funds to pay the salaries. The correction has been effected in the current financial year to ensure accurate accounting treatment of the funding and related expenditure.

2. Deferred Government Grants - Corporatisation

During the current financial year, it was identified that the deferred grant - corporatisation was calculated based on 228 months instead of 240 months. These errors have been corrected and the opening balances were adjusted with the effect thereof as follows:

3. Inventories and cost of sales

Inventory (Finished Goods) and Cost of sale were not correctly accounted for due to incomplete production cost reported in the previous financial period.

4. Other Operating Gains (Realised and Unrealised Forex Gains)

In the prior year, other operating gains (realised and unrealised forex gains) were misstated due to incorrect exchange rates being used and IFRIC 22 not being applied as there were advance payments made and received. Forex gains arising from foreign sales and purchases have been adjusted. These errors have been corrected and the opening balances were adjusted with the effect thereof.

5. Property, plant and equipment (Accumulated depreciation)

In the current year, the entity identified that the previously applied useful lives of certain buildings, which ranged from 5 to 27 years, were not aligned with the expected patterns of economic benefits derived from the use of these assets. This resulted in an incorrect depreciation charge in prior periods. Management conducted a comprehensive review of the useful lives of buildings, considering their condition, maintenance practices, and industry benchmarks. It was determined that a more appropriate estimate of the useful lives of buildings is a range of 5 to 30 years. Accordingly, the depreciation rate applied to buildings has been adjusted retrospectively to reflect a useful life of 30 years for the affected buildings. This change has been treated as a prior period error correction in accordance with IAS --8 Accounting Policies, Changes in Accounting Estimates and Errors. The prior period financial statements have been restated to reflect the correction of this error.

6. General and administration expenses

Adjustments for R37 773 relates to inventory adjustments (Consumable stores expense, packaging materials expense)

7. Taxation

The deferred tax amount of R18 000 arises from the difference between the prior year trial balance and the reinstated trial balance, following the reassessment of the useful life of buildings. The change in the useful life estimate resulted in a timing difference affecting the deferred tax calculation.

Notes to the Annual Financial Statements

Annual Financial Statement for the year ended 31 March 2025 | Onderstepoort Biological Products

34. Prior period errors (continued)

8. Revenue

In the prior year, other operating gains (realised and unrealised forex gains) were misstated due to incorrect exchange rates being used and IFRIC 22 not being applied as there were advance payments made and received. Forex gains arising from foreign sales have been adjusted. These errors have been corrected and the opening balances were adjusted with the effect thereof.

9. Movement in credit losses

In the current financial year, there has been an increase in the number of debtors. The balance of trade and other receivables over 90 days is higher compared to the prior year. As a result, it was necessary to increase the provision for doubtful debts accordingly.

10. Personnel expenses

The error is due to the recalculation and the reallocation of the production related costs to WIP production. There were amounts which related to salaries of contractors which were incorrectly classified to GMP – WIP which have now been correctly classified to Personnel expenses.

11. Trade and other receivables

The error was identified during the preparation of the financial statements when it was noted that the VAT control account did not reconcile with the general ledger. The variance arose due to previously written-off VAT receivables, which were subsequently recovered from SARS. As a result, the amounts had to be reinstated in the VAT control account.

12. Normal tax payables

The increase relates to the reallocation of a portion of the cost of sales to inventory work-in-progress (WIP) in prior periods, which subsequently impacted the normal tax payable in the prior year.

13. Provision

The provision is due to decommissioning costs which were previously not accounted for relating to the freeze drier.

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

Notes to the Annual Financial Statements



Annual Financial Statement for the year ended 31 March 2025 | Onderstepoort Biological Products

Figures in Rand	2025	2024
35.		
Statement financial position: 2024		
Property, plant and equipments	381 332 190	25 599 144
Intangibles assets	4 264 615	-
Inventories	68 792 605	(28 059 852)
Trade and other receivables	25 878 583	5 551 454
Tax Prepayments	572 694	-
Cash and cash equivalents	458 531 091	-
Share capital	(1 000)	-
Retained income	(366 550 708)	(6 492 299)
Lease liabilities	(288 474)	-
Deferred income	(448 181 743)	1 598 151
Deferred tax	(14 067 154)	(18 000)
Trade and other payables	(92 903 423)	-
Normal tax payables	(17 379 276)	3 172 753
Provision	-	(1 351 351)
	-	-
Statement of financial performance: 2024		
Revenue	232 313 405	(842 201)
Cost of sales	(30 418 845)	(50 444 236)
Other operating income	16 746 488	-
Other operating gains (losses)	-	3 122 810
Appreciation deferred government grants	9 104 135	-
Movement in credit loss allowances	(305 168)	-
Operating expenses	(159 206 353)	-
Research and development costs	-	(4 283 219)
Repairs and maintenance	-	(16 217 743)
Selling and distribution expenses	-	(4 552 421)
General and administrative expenses	-	37 773 (44 711 802)
Depreciation and amortisation	-	11 773 122 (15 583 460)
Personnel Expenses	-	25 074 899 (92 668 520)
Computer expenses	-	- (1 629 421)
Investment income	33 351 131	-
Finance costs	(48 439)	-
Taxation	(30 807 275)	3 154 753
Administrative expenses	(27 987 170)	-
Subtotal	42 741 909	(8 123 080)
	42 741 909	(8 123 080)
	2 664 337	37 283 166

Notes to the Annual Financial Statements

Annual Financial Statement for the year ended 31 March 2025 | OBP

Figures in Rand	2025	2024
36. Irregular, fruitless and wasteful expenditure		
Reconciliation of irregular, fruitless and wasteful expenditure		
Irregular expenditure	3 589 722	3 152 694
Fruitless and wasteful expenditure	8 000	8 000
	3 597 722	3 160 694
Reconciliation of irregular expenditure		
Opening balance	3 152 694	-
Additions	437 028	3 152 694
	3 589 722	3 152 694
Incident		
Reasons for the deviation not compliant with National Treasury Instruction No. 3 of 2021/22par.4.1 to 4.2	-	1 691 694
Price points incorrectly calculated (Non-compliance with regulation 4(1) of Preferential Procurement 2022).	-	656 000
RFQ not awarded to highest points supplier (Non-compliance with Section 51(1)(a)(iii) of the PFMA	-	805 000
15% National Treasury has been exceeded	437 028	-
	437 028	3 152 694
Reconciliation of Fruitless and wasteful expenditure		
Opening balance	8 000	-
Additions	-	8 000
	8 000	8 000

37. Events after the reporting period

No events after the reporting period were identified by management that will affect the results of the operations of the entity significantly.

38. Going concern

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

The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The directors have satisfied is that the company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors is not aware of any new material changes that may adversely impact the company. The directors is also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company.

During the reporting period, the entity experienced a significant decrease in revenue compared to the prior year. Despite this decline, the entity continues to maintain a positive net asset position, with total assets exceeding liabilities by R361 million, and accumulated profits of R361 million as at 31 March 2025.

18. ACRONYMS

AAMP	Agriculture and Agro-processing Master Plan	IIRC	International Integrated Reporting Council
AFS	Annual Financial Statement	IPC	Indirect Production Costs
AGSA	Auditor-General Auditor of South Africa	IR&D	Innovative, Research & Development
ARC	Agricultural Research Council	ISA	International Standards on Auditing
AR&IT	Audit, Risk and Information Technology Committee	IT	Information Technology
CHIETA	Chemicals Industries Education and Training Authority	KIC	Knowledge, Iterchange & Collaboration
CFO	Chief Financial Officer	NEMA	National Environmental Management Act
COO	Chief Operations Officer	NWU	North-West University
CSE	Corporate Services Executive	OBP	Onderstepoort Biological Products
CSIR	Council for Scientific and Industrial Research	OHS	Occupational, Health & Safety
CSO	Chief Scientific Officer	OVI	Onderstepoort Veterinary Institute
CSSFF	Chan Soon-Shiong Family Foundation	PFMA	Public Finance Management Act
DALRRD	Department of Agriculture, Land Reform and Rural Development	PAA	Public Audit Act
EBITDA	Earnings Before Interest, Taxes, Depreciation, and Amortisation	PPE	Property, Plant and Equipment
ECL	Expected Credit Losses	QMS	Quality Management System
FMD	Foot and Mouth Disease	SAMRC	South African Medical Research Council
FYE	Financial Year-End	SAPS	South African Police Service
GMP	Good Manufacturing Practice	SEM	Supply Chain Management
GRI	Global Reporting Initiative	SED	Socio-Economic Development
HR	Human Resources	SLA	Service Level Agreement
HLCS	Head of Legal and Company Secretary	SOC	State-Owned Company
IAR	Integrated Annual Report	TAHIC	Tshwane Animal Health Innovation Cluster
ICEO	Interim Chief Executive Officer	TUT	Tshwane University of Technology
ICT	Information and Communication Technology	UFS	University of the Free State
IESBA	International Code of Ethics for Professional Accountants	UJ	University of Johannesburg
IFRS	International Financial Reporting Standards	UK	United Kingdom
IFRS IC	International Financial Reporting Standards Interpretations Committee	UKZN	University of KwaZulu-Natal
		UP	University of Pretoria
		VAT	Value Added Tax
		VPF	Vector Protected Facility







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