



INTEGRATED ANNUAL REPORT

2025/26

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Navigation icons



Our six capitals



Financial capital (FC)



Intellectual capital (IC)



Social and relationship capital (SRC)



Manufactured capital (MC)



Human capital (HC)



Natural capital (NC)

Read more about our capitals on page 19.

Read more about strategy on page 42

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Our stakeholders



Sugarcane Growers



Millers



Employees



Communities



Customers



Suppliers



Financiers



Government



Media



Non-governmental organisations

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Our core strategic themes

1 Value-added sugar and higher returns

The shift from bulk raw sugar towards direct consumption products is a deliberate revenue-enhancement strategy. Bagged and specialty sugars command premium pricing compared to raw bulk sugar, particularly in developed markets like the EU and US.

To capture more value at origin (rather than ceding it to downstream refiners), we invested in bagging infrastructure and conditioning capacity. The ability to produce differentiated grain sizes, colours and nutritional profiles positions the industry to serve evolving consumer preferences and insulate revenue from volatile world market commodity pricing.

[Read more about how we create value on page 28.](#)

2 Market diversification and global reach

We operate across four distinct markets, the Southern African Customs Union (SACU), European Union (EU)/United Kingdom (UK), the United States of America (US) and the regional African market, each carrying different risk–return profiles. SACU delivers the strongest returns; the EU/UK offers premium pricing for direct consumption, sustainability certified and specialty sugars; the US provides stable quota-based access (traditionally raw sugar for further refining); and the African regional market presents high growth but volatile opportunities.

We reduce dependency on any single trade bloc by actively pursuing new markets across the continent. This geographic spread hedges against trade policy and regulatory shifts, and currency movements that could erode returns in individual markets.

[Read more about our operating context on page 23.](#)

3 Agricultural productivity and resilience

Sugarcane yield performance is the foundational driver of industry economics. Declining tonnes of cane and sucrose per hectare undermine milling capacity and efficiency, reduce available sugar for sale and reduce grower margins. Our extension and technical services function addresses this through variety testing and release, soil health programmes, pest and disease surveillance, efficient water use and best management practice dissemination.

The gap between small-scale and large-scale grower performance represents both a risk and an opportunity. Closing it through targeted support, governance capacity building and technology adoption could unlock meaningful incremental production without requiring additional land under cultivation.

[Read more about performance on page 40.](#)

4 Sustainability and certification

Sustainability certification (through Fairtrade, Bonsucro and Farm Sustainability Assessment) serves both as a market access requirement and a competitive differentiator. Major global buyers increasingly mandate verifiable sustainability credentials across their supply chains. Our current certifications and pursuit of expanded coverage enables access to premium-priced markets, and the associated premiums that flow to growers.

Beyond commercial benefits, these frameworks drive improvements in labour practices, environmental stewardship and governance. Sustainability certification strengthens the industry’s long-term social licence to operate and reduces exposure to reputational and regulatory risk.

[Read more about sustainability on page 36.](#)

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Our core strategic themes *continued*

5 Logistics and export efficiency

As a landlocked producer exporting approximately 90% of its sugar, our financial performance is highly sensitive to logistics costs and reliability. Access to both Durban and Maputo ports provides critical routing flexibility, though political instability in transit countries may sometimes disrupt shipments. Warehousing capacity constrains the ability to hold inventory during production peaks and time sales to favourable market conditions.

Investment in additional storage, bagging facilities and conditioning infrastructure directly impacts the proportion of sugar sold as higher-value packaged product versus lower-margin bulk. Efficient supply chain management also minimises demurrage costs and ensures contractual delivery commitments are met reliably.


[Read more about our operations on page 40.](#)

6 Industry collaboration and governance

Our unique structure (bringing together growers and millers under a single statutory body with equal representation) creates both alignment challenges and collaborative strength. The Sugar Act and Industry Agreement, Council governance and subcommittee system provide frameworks for resolving competing interests around sucrose payment methodologies, bagasse beneficiation and resource allocation.

Strong governance, including independent audit oversight and adherence to King IV principles, underpins stakeholder confidence. The effectiveness of miller-grower collaboration on issues like yield improvement, harvesting logistics and cost-management directly determines whether the industry can respond cohesively to external pressures rather than fragmenting under internal tensions.


[Read more about stakeholder engagement on page 33 and governance on page 57.](#)

7 Innovation and product development

Our innovation agenda spans agricultural technology, product diversification and digital transformation. Satellite-based crop monitoring and yield forecasting, handheld digital pest surveillance devices and AI-driven decision support tools represent a shift toward precision agriculture that can improve both productivity and cost efficiency.

On the product side, development of specialty sugars, low GI formulations and exploration of value-added packaging for premium markets expand the addressable market beyond commodity sugar. Solar energy adoption across grower operations reduces input costs while aligning with sustainability objectives. These innovations collectively strengthen the industry’s ability to compete against lower-cost producers through differentiation and operational excellence.


[Read more about our operations on page 40.](#)

8 Climate resilience and resource efficiency

Climate change poses existential risks to Eswatini’s sugar industry through shifting rainfall patterns, rising temperatures, increased pest and disease pressure and reduced natural ripening. Water security requires continued investment in storage infrastructure and efficient irrigation systems like drip technology. The transition to solar-powered irrigation and irrigation scheduling reduces both energy costs and carbon intensity. Sourcing climate-resilient cultivars from multiple origins builds diversity into the crop’s genetic base.

Developing a comprehensive industry climate adaptation plan is essential to maintain production stability and protect the livelihoods of over 16 000 workers and hundreds of grower communities that are dependent on the sector.


[Read more about how we manage risks on page 53.](#)

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01 PERFORMANCE HIGHLIGHTS

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Performance highlights

Key performance indicators

For the year ended 31 March 2026

Sucrose produced

756 583
tonnes

(2025: 754 703 tonnes)

Sugar produced

639 998
tonnes

(2025: 640 738 tonnes)

Sugar sales

647 572
tonnes

(2025: 591 986 tonnes)

Revenue

E8,0 billion

(2025: E7,7 billion)

Sucrose yield per hectare

12,61
tonnes

(2025: 12,67 tonnes)

Cane harvested per hectare

91,06
tonnes

(2025: 89,94 tonnes)

Cane crushed

5 461 465
tonnes

(2025: 5 359 449 tonnes)

Area harvested

59 979
hectares

(2025: 59 588 hectares)

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Performance highlights *continued*

Strategic milestones

1

Secured the Nucane production patent, supporting future growth in specialty sugars.

2

Commissioned the Mhlume VHP bagging facility, expanding bagging capacity and market reach.

3

Advanced carbon and water footprint reduction initiatives.

4

Commenced work to expand Bonsucro and Fairtrade certification, strengthening sustainability credentials.

5

Progressed the market diversification strategy through entry into new export markets.

6

Completed the bagged sugar trial shipment to the US, to determine the feasibility.



Read more about our strategic achievements on page 45.

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02 REPORTING APPROACH AND ACCOUNTABILITY

Reporting approach and accountability



This integrated annual report explains how we contribute to a sustainable and competitive sugar sector, and outlines the factors that influence the industry's ability to create and protect value over the short, medium and long term.

About this report

The report provides an overview of our operating environment, strategic priorities and performance during the year, and the governance practices that underpin sound decision-making.

Our approach reflects integrated thinking, recognising that value creation in the sugar industry depends on the interaction between agricultural production, market dynamics, industry coordination and stakeholder relationships.

Scope and boundary

This report covers the financial year from 1 April 2025 to 31 March 2026.

The primary reporting entity is Eswatini Sugar, including subsidiaries and jointly controlled entities reflected in the audited financial statements (page 65).

Given our coordinating and regulatory role in the industry, this report also refers to broader industry developments and activities that may influence its ability to support value creation across the sector. It also focuses on those matters considered material to its role in the industry.

Materiality and key matters

In preparing this report, we applied the principles of materiality, balance and comparability. Material matters are those issues that could substantively affect our ability to deliver on our strategy and create sustainable value for the industry over the short, medium and long term.

A full discussion of how these matters were identified and how they shape our strategic response is set out on pages 53 – 62.

Financial and non-financial reporting approach

This report presents both financial and non-financial information relevant to our activities and the performance of the sugar industry. It encompasses non-financial metrics, opportunities, risks and outcomes that may substantively influence our ability to support value creation.

Reporting framework

This report was produced in accordance with the principles of the King IV Report on Corporate Governance™ for South Africa (2016) ("King IV") and is guided by the International Integrated Reporting Framework.

Our annual financial statements (pages 65 – 78) have been prepared in accordance with International Financial Reporting Standards ("IFRS"). Council will consider King V enhancements to governance disclosures in future reporting periods.

Forward-looking statements

This integrated annual report contains forward-looking statements about our operations, financial position, results and strategy, based on information available on 31 March 2026. These statements relate to future events and are therefore subject to uncertainty.

Since actual results or developments may differ materially from those expressed or implied in these statements, they have not been reviewed or reported on by the auditors.

Council does not undertake to revise or update this information to reflect events or circumstances arising after the release of this report.

Council statement of responsibility

Council acknowledges its responsibility for the integrity of this integrated annual report.

The report was prepared with the support of executive management and reviewed by the Audit and Risk Committee.

Council is satisfied that the report aligns with the principles of the Integrated Reporting Framework and presents a balanced and complete account of our performance and ability to create and sustain value over the short, medium and long term.

The report was approved by Council on 2 July 2026.

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03 LEADERSHIP MESSAGES

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Message from the Chairman



The year unfolded against a difficult global environment for the sugar industry, testing the resilience of growers and millers across the sector.

Meshack Kunene
Chairman

This year's performance was shaped as much by global market forces as by conditions here at home. Both told a similar story.

Lower international prices placed pressure on revenues and grower margins, while climate variability, rising input costs and biotic stressors continued to affect production. These conditions reinforced the importance of protecting value, supporting those who depend on the industry and keeping long-term sustainability firmly in focus.

Long-term production capacity

Despite these pressures, the industry has continued to invest in strengthening its long-term production capacity. The expansion of area under cane in the Lower Usuthu Smallholder Irrigation Project ("LUSIP II") will support production growth and broaden participation in the industry.

The resilience of the Eswatini sugar industry depends on cooperation across the value chain. Constructive engagement between growers and millers is essential during periods of market volatility and production pressure.

Rising cost of electricity

The cost of electricity has become a major concern for the industry. Growers are heavily dependent on grid power for irrigation pumping and rising electricity tariffs continue to place significant pressure on production costs.

While solar adoption is increasing and millers are able to generate some power from biomass, energy costs remain a significant burden for the sector and require mitigation measures.

Disciplined cost management is key

With the industry currently experiencing lower sugar prices and margin pressure, disciplined cost management, operational efficiency and strong collaboration become especially important.

The industry is nevertheless well positioned for the future. Production costs are competitive in comparison to other producers, and the industry benefits from established regional and international market relationships, together with growing demand across the African continent.

Looking ahead, safeguarding access to key markets, along with investment in production efficiencies and smallholder grower development will be critical to ensuring that the industry remains competitive.

I would like to strongly commend the sugar industry in our country for showing great resilience, despite the many challenges of the past year. My thanks to the growers and millers whose collaboration sustains the industry. I would also like to acknowledge the Government for its continued support, and the Council, management and staff for their commitment during a challenging year.

Sugar is indeed Eswatini gold.

Meshack Kunene

Meshack Kunene
Chairman

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Nick Jackson
President

 Read more about our operating environment on page 23.

 Read more about the global sugar market on page 24.

Message from the President *continued*



Sustainability certification gains momentum

During the year, the industry also progressed its work on sustainability certification.

Following extensive consideration of available international frameworks, the industry adopted Bonsucro as its preferred sustainability certification standard. One mill and one large grower have already achieved certification, providing a strong foundation for broader industry participation.

Expanding certification across industry players will be an important step in achieving the industry's long-term sustainability aspirations and maintaining access to international markets.

 [Read more about certification on page 36](#)

A cyclical industry

As a commodity, sugar inevitably experiences cycles. Prices rise and fall in response to global supply, demand, weather conditions and other fundamentals, and the industry is currently moving through a difficult phase of that cycle.

It is therefore important that all industry players remain focused on managing costs, improving efficiencies and working together to navigate this environment.

Despite current pressures, the industry remains well positioned. Production costs are among the most competitive by international standards, and the sector operates without the government subsidies seen in many other producing countries.

 [Read more about operations on page 41.](#)

Strong trade relationships

Eswatini benefits from strong trade relationships within the region and globally, and growing demand for sugar across the continent. Population growth across Africa is expected to increase sugar consumption significantly in the coming decades, and that is where growth potential lies.

As an established producer with well-developed industry cane-growing expertise and irrigation infrastructure, Eswatini is well placed to meet the needs of these expanding regional markets.

Outlook

While the current operating environment is undoubtedly challenging, the long-term outlook for the industry remains positive.

The industry will remain a significant contributor to national economic development for many years to come by continuing to improve productivity, while supporting the communities in which we operate both economically and socially.

I would like to acknowledge the Government of Eswatini, particularly the Minister of Commerce, Industry and Trade and the Minister of Agriculture, for their support on issues affecting the industry. I also thank the Council members for their commitment and collaboration that sustain the sector. Finally, I extend my appreciation to the Eswatini Sugar management team and staff for their efforts during a challenging year, including the successful transition to the new Eswatini Sugar brand.

Nick Jackson
President

The sugar industry will remain an important economic development contributor by continuing to:

- 1. Improve productivity***
- 2. Increase production capacity***
- 3. Generate foreign exchange export earnings***

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Message from the CEO

The year under review revealed both the strength of the Eswatini sugar industry and the realities of operating in a volatile global market. Although the industry is currently facing headwinds, the industry has weathered similar cycles before and is well positioned to navigate this period.

Banele Nyamane
Chief Executive Officer

In a year shaped by weaker international prices, rising imports and production-related challenges, the organisation remained focused on delivering against its mandate. This included supporting industry stability, engaging with key stakeholders and advancing the priorities that strengthen the long-term competitiveness of the sugar sector.

Despite strong headwinds, production increased this year, reflecting the effectiveness of measures implemented to address declining yields and strengthen agricultural performance across the industry. Management remains satisfied with performance in the areas within our control.

[Read more about our operations and performance on page 40.](#)

Operational performance

As one of the country's most important agricultural and export industries, the industry continues to play a vital role in supporting economic activity and livelihoods across Eswatini.

The recovery in sugar production demonstrates the value of maintaining agricultural best practices and strong collaboration across the industry.

We also saw a significant decline in customer complaints during the year, as the sugar quality concerns of the past two seasons were successfully addressed.

Sugar prices at five-year low

Despite operational gains, the financial outcome for the year was shaped by external market conditions. Global sugar prices declined to their lowest level in approximately five years. A weaker US dollar against Lilangeni during the latter part of the year further reduced export earnings.

[Read more about performance on page 42.](#)

Eroded margins put growers under pressure

The viability of our small growers remains a key priority in the current low-price environment. The low world market price, coupled with rising input costs (particularly electricity for irrigation and fertilisers) is eroding grower margins. The industry is therefore working closely with vulnerable growers to help them sustain production.

Climate variability also affected production. Prolonged rainfall both at the start and end of the season resulted in approximately 200 000 tonnes of cane not being harvested within the season. In response, the industry is assessing potential adjustments to the milling season to improve harvesting flexibility and reduce exposure to extreme weather events.

Market dynamics

The operating environment remains tough. Developments in the SACU market are a major concern for the industry, particularly the increasing impact of imports from the world market on the market's stability.

Uncertainty surrounding developments in the South African sugar industry, particularly the business rescue status and potential liquidation of Tongaat Hulett, also adds complexity to the regional supply landscape.

Global trade dynamics are also evolving. Recent tariff measures affecting exports to the United States illustrate the extent in which policy changes can influence market access and export revenues.

The uncertainty around future policy changes also require agility in sales' strategy.

[Read more about our operating environment on page 23.](#)

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Message from the CEO *continued*



Expanding Bonsucro certification

A key priority for the industry is sustainability certification. During the year, Royal Eswatini Sugar Corporation's Simunye Mill and Tambankulu Estate achieved Bonsucro Production Standard certification, while Eswatini Sugar secured Chain of Custody certification. The next step is to expand certification across additional growers and milling operations.

Sustainable production is no longer a nice-to-have, but a necessity. Meeting internationally recognised sustainability standards is increasingly a prerequisite for access to export markets, making this an important area of continued industry effort.

[Read more about sustainability on page 36.](#)

Diversifying our markets

The rebranding from Eswatini Sugar Association (ESA) to 'Eswatini Sugar' reflects a strategic shift towards building recognition of sugar from Eswatini as a quality product, and reinforcing the industry's presence in all our markets.

As part of this vision, we are also exploring opportunities to expand further into new markets. Rather than relying heavily on exports of raw bulk sugar for refining to international markets, we aim to position direct consumption sugar more prominently in partnerships in the Middle East and the United States. This would be done alongside the gradual expansion of branded retail channels citing "Eswatini Sugar".

Boosting local research capability

The industry has embarked on a new strategic direction focused on strengthening local agronomic research and variety development capability. Historically, the industry has relied on external research by neighbouring countries, but developing locally adapted sugarcane varieties will support improved yields and productivity over time.

[Read more about extension and technical services on page 43.](#)

Sound stakeholder relationships

Industry stability depends on continued cooperation and a sound relationship between growers and millers. While differing interests between the two groups are part of the industry landscape, constructive engagement is essential for progress.

Our partnership with the Government of Eswatini has been and continues to be equally important in addressing agricultural, trade and other policy matters affecting the industry.

Outlook

Looking ahead, management priorities centre on safeguarding access to the SACU market and advocating for policy measures that address imports into the market. The industry will continue to support members through the current trough in the cycle while investing in sustainability, research capability and new market opportunities.

The global sugar market cycle remains difficult, but the industry has weathered such storms before. By maintaining discipline, strengthening collaboration and continuing to invest for the future, we remain confident that the industry will sail through until the conditions change.

The resilience of the sugar industry can be attributed to the collective efforts of the many stakeholders who work together across the value chain. I would like to acknowledge the contribution of growers, millers, industry partners and the communities that support the industry. I also thank the members of Council, the management team and staff of Eswatini Sugar and His Majesty's Government for their continued partnership in supporting our long-term performance, sustainability and success.

Gratitude

I would like to extend my sincere appreciation to senior members of management who retired during the year: Mr Noah Dlamini, Head of Extension and Technical Services, who served for 13 years; Ms Khetsiwe Mdziniso, Finance Manager, with 30 years of dedicated service; and Mr Sibusiso Hlanze, Logistics Manager, who contributed 18 years to the organisation. Their commitment and leadership over many years have left a lasting impact, and we thank them for their invaluable contributions.

Banele Nyamane
Chief Executive Officer

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Organisational overview



Eswatini Sugar in brief

Eswatini Sugar (registered as the Eswatini Sugar Association – ESA) is the statutory body of Eswatini's sugar industry, representing the collective interests of sugarcane growers and millers.

Established under the Sugar Act of 1967, it is responsible for regulating and developing the industry, managing the marketing and sales of all domestically produced sugar and by-products (currently molasses).

Additionally, services span the full industry value chain, from agricultural research and extension services to cane testing, warehousing, distribution, export marketing, and advocating for the trade policies and market access on which the sector depends.

Our head office is in Mbabane, with satellite offices located close to the country's major sugar-producing regions in Simunye and Big Bend. We own warehouses situated at all the mills (Big Bend, Mhlume and Simunye) and a terminal at Mlawula.

Legal framework of the industry

The Eswatini sugar industry operates within a structured legal framework established by three core instruments.

Sugar Act

Established the Eswatini Sugar Association (rebranded as Eswatini Sugar), the Quota Board and the statutory framework governing the industry.

Sugar Industry Agreement

Provides the regulatory framework governing relationships between growers, millers and industry institutions.

Eswatini Sugar constitution

Sets out the governance arrangements and operational framework of Eswatini Sugar.

Together, these instruments define the legal and governance framework within which the industry operates.

From Eswatini Sugar Association to Eswatini Sugar

During the year, the Eswatini Sugar Association ("ESA") rebranded as Eswatini Sugar.

This reflects a shift to strengthen recognition of sugar from Eswatini as a quality product and enhance the visibility of the country's sugar industry in regional and international markets.

The change also aligns our public identity more closely with our role in marketing sugar and representing and promoting the broader Eswatini sugar industry.

Our vision



To develop the Eswatini sugar industry into an innovative, competitive, and sustainable sugar cane entity promoting long-term stakeholder wellbeing.

Our mission



To evolve into an industry catalyst promoting innovation, industry development and revenue optimisation while delivering world-class services to our members and stakeholders in a sustainable manner.

Our values



Excellence: We strive to excel in everything we do for all our key stakeholders.

Integrity: We are objective, professional and conduct our business in accordance with the highest ethical standards.

Growing our people: We improve the welfare of our people and help them develop to their full potential.

Continuous improvement: We are innovative and progressively develop our products, services and processes to be best-in-class.

Customer-centric: We value our customers and strive to meet and exceed their expectations.

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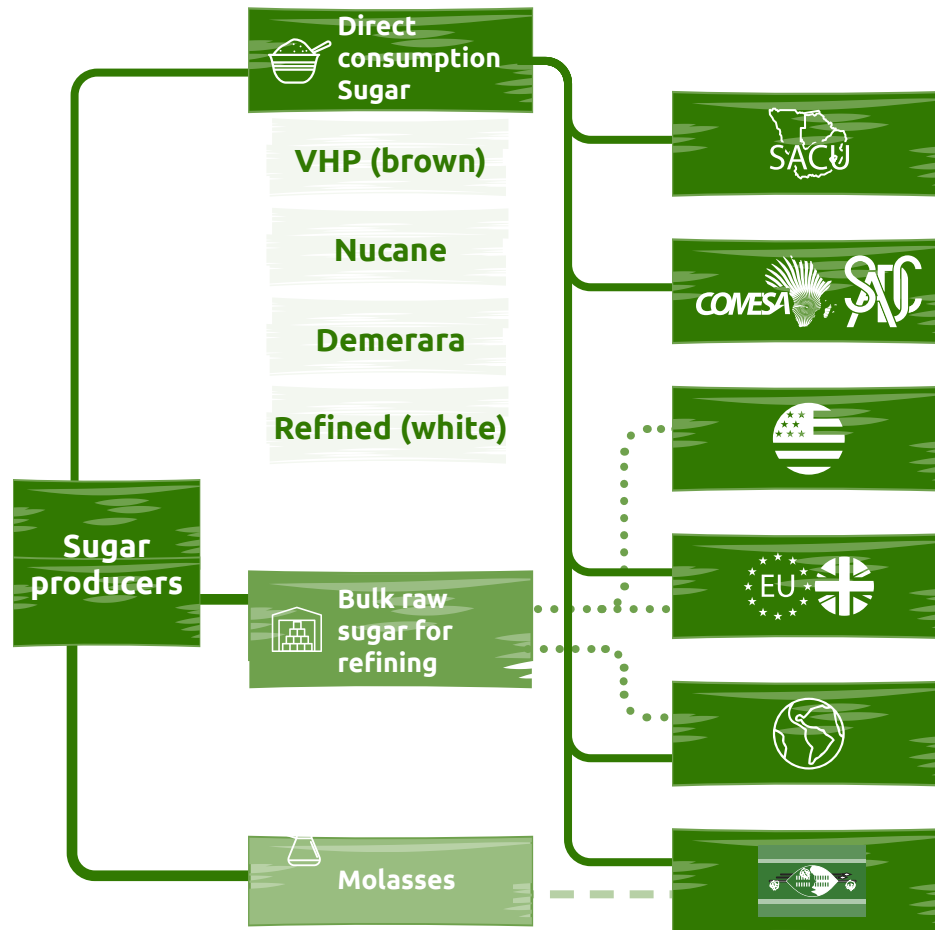
Organisational overview *continued*



Quality policy statement

Our quality management system ("QMS") is aligned with the ISO 9001:2015 standard and a review session to ensure that it remains effective and fit-for-purpose is held bi-annually.

Our products



Bulk sugar in the Eswatini Sugar warehouse

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Our capitals



Financial capital

Financial capital refers to the pool of funds available to the organisation through revenue generation, investments and borrowings. It represents the monetary resources that enable operations, fund strategic initiatives and sustain the organisation's ability to meet its obligations and distribute value to stakeholders over time.

Our financial capital includes:

- Investments
- Operating budget
- Revenue from sales



Manufactured capital

Manufactured capital encompasses the physical infrastructure, equipment and operational assets that the organisation uses to process, store and distribute its products. These tangible resources underpin the capacity to convert raw agricultural inputs into market-ready goods and deliver them reliably to customers across multiple geographies.

Our manufactured capital includes:

- Warehouses
- Office buildings
- Equipment
- Vehicles
- Computers and IT infrastructure



Intellectual capital

Intellectual capital comprises the organisation's intangible assets, including proprietary knowledge, operational frameworks, trade agreements, quality management systems and institutional expertise. It represents the accumulated intelligence that informs decision-making, protects competitive positioning, ensures regulatory compliance and enables the organisation to adapt to evolving market conditions.

Our intellectual capital includes:

- Policies, procedures, and manuals
- Documented best practice
- Strategy and operational frameworks
- Information technology and systems
- Business intelligence



Human capital

Human capital represents the collective knowledge, skills, experience and motivation of the organisation's workforce. It reflects the capacity of employees to execute strategy, deliver services and drive innovation, shaped by recruitment practices, professional development, organisational culture and the overall health and wellbeing of the team.

Our human capital includes:

- Human capital practices and initiatives
- Employees
- Organisational culture
- Learning and growth



Social and relationship capital

Social and relationship capital reflects the quality and strength of relationships the organisation maintains with its stakeholders, including government, industry participants, customers, communities and development partners. It encompasses trust, reputation and the collaborative networks that enable market access, policy influence and the social licence to operate.

Our social and relationship capital includes:

- Government of the Kingdom of Eswatini
- Communities and general public
- Growers and millers
- Labour unions
- Legislators
- Employees
- Brand and reputation
- International development partners
- Media



Natural capital

Natural capital refers to the renewable and non-renewable environmental resources upon which the organisation's value chain depends. It encompasses the land, water, climate conditions and biological systems that sustain agricultural production, and recognises the interdependence between ecological health and long-term productive capacity.

Our natural capital includes:

- Land under cultivation
- Sugarcane crop (including seedcane)
- Water
- Energy

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The economic contribution of the Eswatini sugar industry

Sugar is the cornerstone of the Eswatini economy, supporting employment, exports and rural livelihoods.

The industry contributes around 4,1% of gross domestic product ("GDP"), and generates annual revenue of close to E8 billion. It is the largest private sector employer in the country, with more than 16 000 permanent and seasonal employees.

Sugarcane is grown under irrigation on roughly 61 000 hectares of land, producing an average of 640 000 tonnes of sugar a year. Small-scale farmers make up 93% of the active grower base and contribute approximately 29% of total cane harvested.

Around 90% of our sugar is exported to the Southern African Customs Union ("SACU"), the wider African continent, Europe and the USA.

Beyond its direct economic contribution, the industry also supports extensive downstream economic activity through transport, services and other related sectors.

[Read more about how we create value on page 28.](#)

Eswatini sugar industry: competitiveness and socio-economic impact

61 000

hectares under production of sugarcane

3rd largest

sugar producer in Africa

7%

national export earnings

4,1%

contribution to GDP

16 000

permanent and seasonal employees
~30% of the country's workforce

10th largest

net-exporter in the world

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Our product mix



Direct consumption sugar

Direct consumption sugar encompasses sugars sold ready for use by consumers and food manufacturers. There are four types - Very High Polarised ("VHP"), Nucane Low GI, Demerara and refined.

VHP sugar is a minimally processed brown sugar,

Nucane is a low glycaemic index variant and

Demerara features a distinctive coarse grain and golden colour.

Market



Bulk raw sugar for refining

Bulk raw sugar is unrefined sugar exported in large unpackaged quantities to refineries in destination countries, where it undergoes further processing into finished white or specialty sugars. It serves as an intermediate industrial input rather than a consumer product.

Market



Refined sugar

Refined sugar is white sugar that has undergone additional processing to remove molasses, impurities and colour, producing a consistent, high-purity product. It serves both household consumption and industrial food manufacturing processing.

Market



Molasses

Molasses is a viscous by-product of the sugar milling process, separated from crystallised sugar during production. It retains residual sugars and minerals not extracted during milling. Molasses can serve as a feedstock for ethanol production or as an ingredient in animal feed formulations.

Market



Performance highlights	Reporting approach and accountability	Leadership messages	Organisational overview	Operating context	How we create value
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Operating context



Global market trends, regional trade dynamics and domestic production conditions continue to influence the outlook for the industry.

While international sugar prices and regional trade arrangements shape market access and revenue flows, agricultural performance is largely determined by weather conditions.

Droughts associated with El Niño as well as periods of excessive rainfall linked to La Niña have affected cane yields, harvesting schedules and crop quality globally over the years. These conditions reinforce the importance of resilience and adaptive farming practices across the global sugar sector.

Global sugar market conditions

The global sugar market shifted direction during the 2025/26 season (October/September) and is forecast to return to modest surplus conditions as production recovers in several key exporting countries.

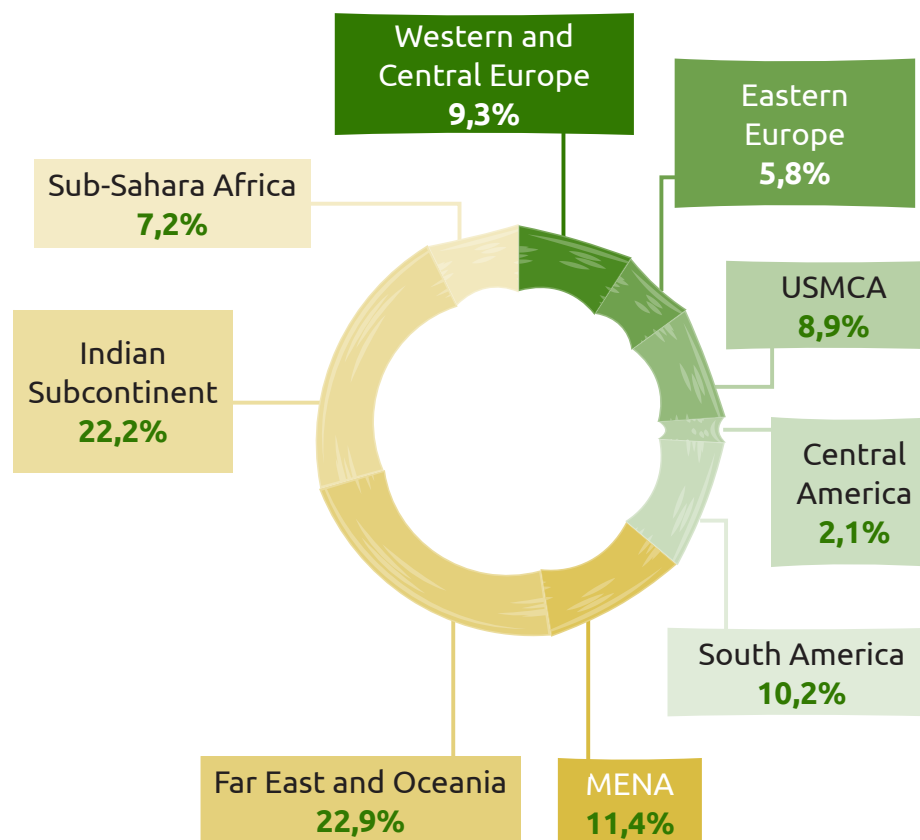
World production is estimated at 182 million tonnes, up 6,1 million tonnes from the previous season. The rise in production is expected to result in a surplus of 2,2 million tonnes in the 2025/26 season (October/September). This follows a 3,2 million tonne deficit in 2024/25.

The recovery in global supply is largely driven by stronger output in India, Thailand and Pakistan. On the other hand, production is reported to have dropped in Brazil, the Philippines and Australia. Brazil, which accounts for 51% of global exports, remains the single dominant force in international trade flows. Production decisions in Brazil, including the balance between sugar and ethanol output, continue to play a significant role in determining global price movements and trade flows.

Consumption growth remained at a modest 0,39%, with global consumption projected at 179,8 million tonnes. While population growth and urbanisation continue to support long-term demand, consumption patterns are evolving. Product reformulations in some food and beverage categories, together with increasing use of GLP-1 medications that influence dietary behaviour, have introduced new uncertainty into demand forecasts – a trend the industry is monitoring closely.

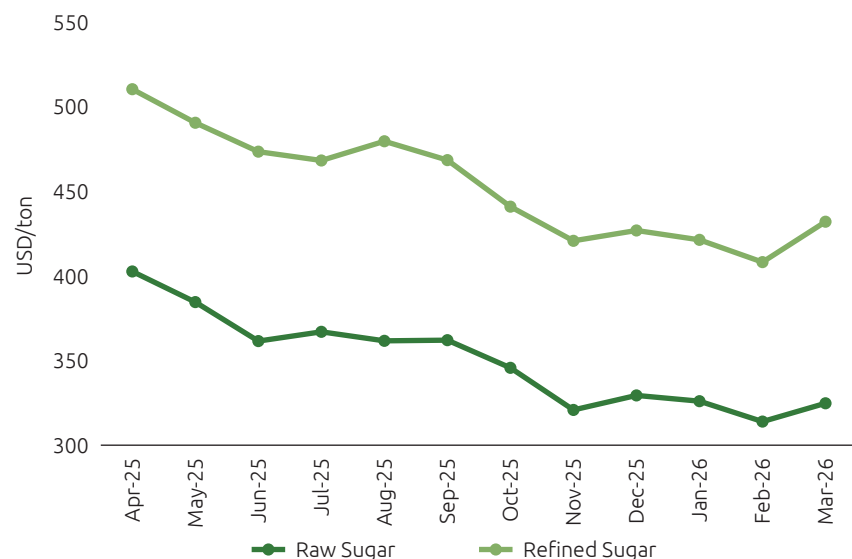
Global trade volumes are expected to hold firm, with exports projected at 64,3 million tonnes against import demands of 63,2 million tonnes. The stocks-to-consumption ratio of 51,8% signals a market in relative balance but, with supply concentrated in a handful of producing countries and demand dynamics evolving, the conditions for price volatility remain in place.

Regional sugar consumption share by region 2025/26



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World market prices



World production, consumption and ISA prices



Regional trade and SACU dynamics



Southern Africa's sugar industry ended the 2025/26 season at a seven-season production high. The International Sugar Organization ("ISO") projects Equatorial and Southern African output at approximately 7,471 million tonnes, up from the revised 7,177 million tonnes recorded in 2024/25. This trajectory reflects both expanding capacity across the region and recovering yields following prior-season weather disruptions.

Regional developments continued to influence market dynamics in the region. The business rescue process of Tongaat Hulett in South Africa continues to cast uncertainty over production, with potential implications for regional supply, particularly of refined (white) sugar. Tongaat Hulett milling operations in Zimbabwe and Mozambique, however, operate as separate entities and remain stable.

Population growth and urbanisation across sub-Saharan Africa sustain the long-term global and regional consumption growth outlook for sugar and related products. However, regional producers face increasing competition as several countries expand their domestic production capacity



Operating context *continued*

Domestic market environment

Agriculture and forestry are fundamental to the economy of Eswatini, supporting employment, rural livelihoods, and a significant share of national economic activity. Sugarcane growing is a significant contributor to the sector, driving both agricultural production and export earnings.

Sugarcane production has remained relatively stable, with the area harvested averaging 60 000 hectares, cane deliveries reaching 5,46 million tonnes, and sucrose reaching 756 583 tonnes.

Productivity indicators such as tonnes cane per hectare and tonnes sucrose per hectare kept pace with prior seasons. Although weather variability and rising input costs present ongoing challenges, this did not materially disrupt production during the year.

Production snapshot

Area harvested

59 979

Hectares

(2024/25: 59 588 hectares)

Cane delivered

5,46

million tonnes

(2024/25: 5,36 million tonnes)

Sucrose delivered

756 583

tonnes

(2024/25: 754 703 tonnes)

Market structure and export markets

The industry supplies four principal export markets. The SACU market is the largest, accounting for approximately 72% of sales and representing the industry's core revenue base. The European Union and United Kingdom collectively make up 16% of sales, followed by regional markets at 9%, and the United States at 3%.

Market conditions vary significantly across these regions. SACU operates within a structured framework with a common external tariff on sugar imports from third parties, but faces mounting competition from imports – a theme that has formed part of the Council's agenda throughout the year and is reflected in our risk register.

EU, regional and US market prices are tied to world market benchmarks, exposing the industry directly to global price movements and exchange rate fluctuations.

[Read more about marketing and sales on page 48.](#)

Export markets distribution

Market share

EU/UK – 16%

- Prices are pegged to world market prices.
- Strategy is to reduce the raw bulk supply into this market.
- Efforts to grow the specialty and sustainability-certified sugars because of premium prices.

US – 3%

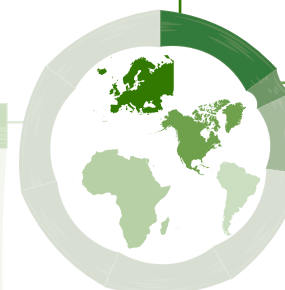
- Fixed volume into the market.
- Imports subject to 10% tariff.

SACU – 72%

- Imports into the market were the highest volume in years.
- Depressed prices in the market.
- SA industry lobby to keep sugar from Eswatini out of the market.

REGION – 9%

- Unstable market, both in price and demand for the sugar.
- Prices are pegged to world market price.



1-tonne bags being loaded onto a truck

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Operating context *continued*



Macroeconomic environment of Eswatini and global trends pertaining to the sugar industry

Eswatini's domestic economic environment

Eswatini's economy is expected to record modest growth over the medium term. Inflation has eased from prior year highs and is expected to stabilise at more moderate levels. If sustained, this will alleviate some pressure on production costs and support purchasing capacity.

However, exchange rate movements remain a key variable. Since sugar prices and revenues are closely tied to global price benchmarks, currency fluctuations directly affect the value of export earnings.

Domestic currency dynamics

The Eswatini Lilangeni, pegged to the South African rand, has been subject to renewed volatility driven by global risk sentiment, geopolitical tensions and diverging monetary policy expectations between South Africa and major economies. A weaker local currency improves the Lilangeni-denominated value of export revenues, which has historically provided a partial buffer against lower international sugar prices. However, the same depreciation raises the cost of imported agricultural inputs (particularly fuel, fertiliser and equipment) that directly affect grower margins and industry cost structures.



Global sugar market: structural shift toward oversupply

As at the end of March 2026, the global sugar market has reversed sharply from the tight supply conditions that characterised recent seasons. A combination of strong Brazilian output and recovering Indian production has tipped the balance into significant surplus, driving raw sugar prices to multi-year lows. Competition among exporters has intensified, and analysts broadly expect prices to remain under pressure while inventories rebuild.

Geopolitical disruption and energy cost transmission

Geopolitical conflict in the Middle East has disrupted major energy trade routes, driving sharp increases in crude oil prices and forcing the rerouting of global shipping lanes. These disruptions transmit through to our operations via multiple channels: higher fuel costs for cane haulage, transport and field machinery, increased shipping rates for sugar exports and elevated fertiliser prices tied to energy-intensive manufacturing, as well as significant shortages of global fertiliser exports from the Middle East.

At the same time, higher oil prices improve the competitiveness of ethanol relative to sugar in key producing countries like Brazil, which can divert cane away from sugar production and partially support global prices in subsequent seasons. Energy price shocks represent a systemic risk that affects both our cost base and the competitive landscape simultaneously.

Key takeaway:

The domestic operating environment remained stable on the whole. Steady production, a diversified export base and softening inflation provide a constructive foundation, but import competition in SACU and exchange rate exposure remain active risk factors.

Read more about our operations on page 40.

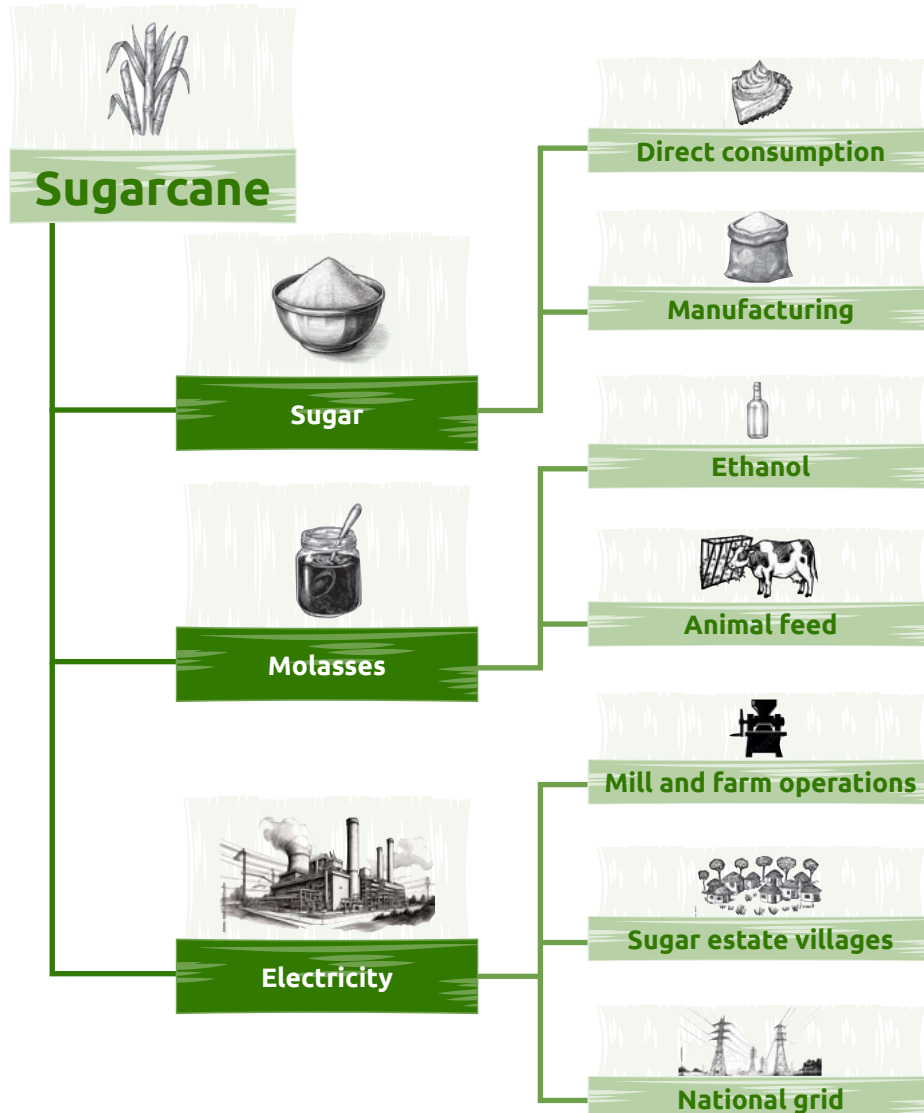
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06 HOW WE CREATE VALUE

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How we create value

Our value chain



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How we create value *continued*

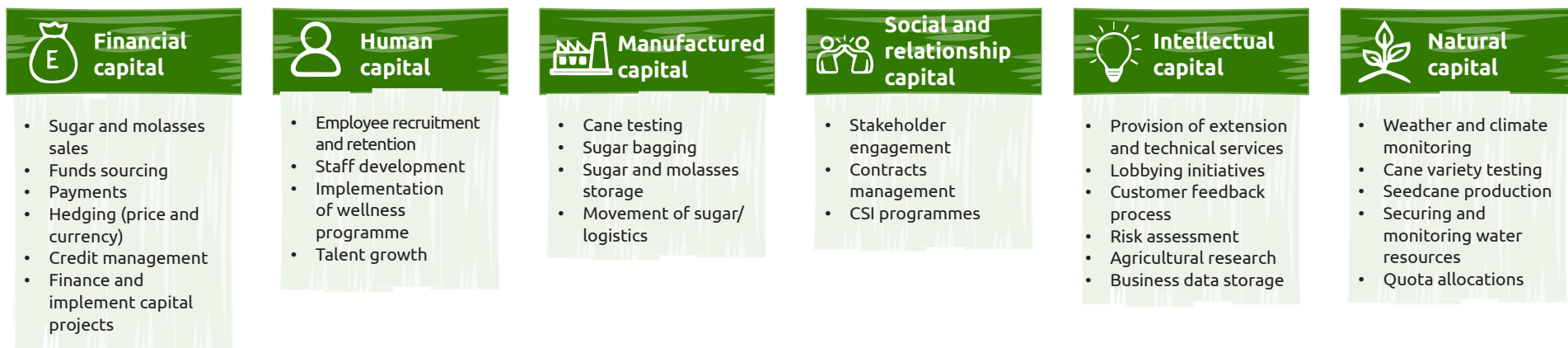
Our value-creating business model

Our business model explains how we create and sustain value for the industry and our stakeholders. It reflects the commercial, social and environmental context in which we operate, and guides how we optimise and balance our six capitals to support a competitive and resilient sugar sector over the short, medium and long term.

Our capital inputs



Our core business activities



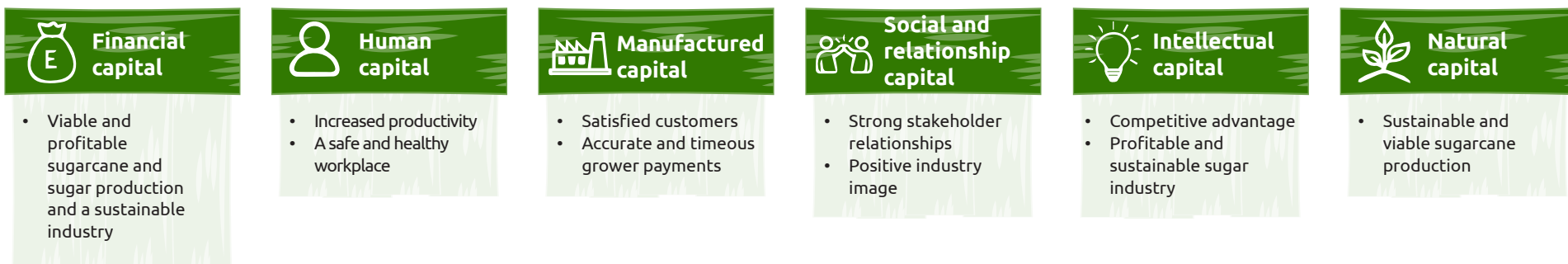
Performance highlights	Reporting approach and accountability	Leadership messages	Organisational overview	Operating context	How we create value
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How we create value *continued*

Our outputs



Our outcomes



Performance highlights	Reporting approach and accountability	Leadership messages	Organisational overview	Operating context	How we create value
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How we create value *continued*



Tradeoffs



Financial capital

Distributing maximum proceeds to growers and millers strengthens stakeholder relationships and improves member viability.



Human capital

Investing in employee development and succession planning increases administrative costs but builds institutional knowledge essential for operational continuity and strategic execution.



Manufactured capital

Expanding warehousing and bagging capacity requires significant capital expenditure that increases short-term borrowing costs but enables higher-margin product sales over time.



Social and relationship capital

Prioritising market access and supply to maintain key customer relationships sometimes puts strain on relations in some markets.



Intellectual capital

Pursuing multiple sustainability certifications demands ongoing compliance resources and management attention, but secures preferential market access and premium pricing opportunities.



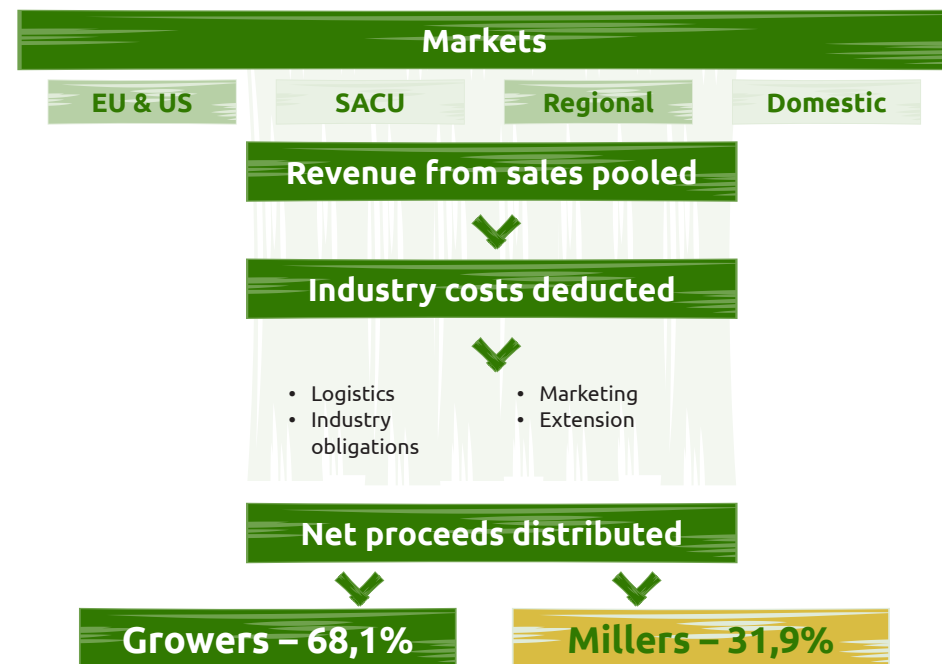
Natural capital

Intensifying sugarcane production to maximise yields places greater demands on soil health and water resources, potentially undermining the long-term productive capacity of the land.

Sharing of proceeds across the value chain

Revenue from all sugar and molasses sales in all the markets is collected by us.

After deducting industry and operating costs, proceeds are distributed between growers and millers according to the industry division of proceeds formula.



Performance highlights	Reporting approach and accountability	Material matters and risk	Leadership messages	Organisational overview	Operating context	How we create value
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How we create value *continued*

Stakeholder engagement

Our stakeholders are those entities that influence, or are affected by our activities and the activities of the broader sugar industry.

We engage regularly with stakeholders to understand their expectations and concerns, and explore opportunities for collaboration. These relationships support the industry's ability to create value over time.

This collaborative approach ensures support for our vision to develop the industry into an innovative, competitive, and sustainable sugar cane entity promoting long-term stakeholder wellbeing.

Stakeholder overview

Growers
The primary producers of sugar cane and key partners in sustaining the industry.

Quality of our relationship

Needs improvement

Performing

Excelling

Needs and efficiency

- Competitive sucrose price
- Support and technical guidance
- Sustainable industry development

Capitals impacted

How we engage with growers

- Industry forums
- Technical services
- Industry committees
- Extension support

Relevant material matters

- Operational
- Strategy implementation

Read more about operations on page 40.

Millers
The primary processors of sugar and key partners in sustaining the industry.

Quality of our relationship

Needs improvement

Performing

Excelling

Needs and expectations

- Cane quality
- Competitive sugar price
- Support and technical guidance
- Industry sustainability

Capitals impacted

How we engage with millers

- Industry committees
- Joint initiatives

Relevant material matters

- Operational
- Strategy implementation

Read more about operations on page 40.

Employees
Our employees enable us to deliver our mandate and support industry coordination

Quality of our relationship

Needs improvement

Performing

Excelling

Needs and expectations

- Job security
- Fair employment practices and remuneration
- Training and development opportunities
- A safe working environment

Capitals impacted

How we engage with employees

- Internal communication
- Training programmes
- Performance management

Relevant material matters

- Operational
- Strategy implementation
- People

Read more about our people on page 50.

Performance highlights	Reporting approach and accountability	Leadership messages	Organisational overview	Operating context	How we create value
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How we create value *continued*

Customers and potential customers
Purchase sugar and related products from the industry

Quality of our relationship

Needs improvement	Performing	Excelling
Needs and expectations - Consistent product quality - Reliable supply - Competitive pricing - Responsible and sustainable production		Capitals impacted
How we engage with customers Face-to-face customer engagement		Relevant material matters - Operational - Climate - Quality - Competition

Read more about our markets on page 23 and sustainability on page 36.

Financiers
Provide funding and financial support to industry players

Quality of our relationship

Needs improvement	Performing	Excelling
Needs and expectations - Financial stability and prudent capital management - Effective risk management - Transparent reporting and accountability - Industry sustainability and long-term growth - Sector development		Capitals impacted
How we engage with financiers - Financial reporting - Stakeholder engagement - Strategic dialogue		Relevant material matters - Operational - Capital - Climate - Strategy implementation

Read more about risk management on page 53.

Government and regulators
Provide policy direction, regulatory oversight and strategic support for the industry

Quality of our relationship

Needs improvement	Performing	Excelling
Needs and expectations - Regulatory compliance - Contribution to national economy - Responsible environmental, social and governance ("ESG") practices - Industry development		Capitals impacted
How we engage with government and regulators - Policy engagement - Regulatory reporting - Participation in national forums		Relevant material matters - Operating environment - Capital - Regulatory changes - Climate

Read more about governance on page 57.

Service providers
Supply goods and services that support operations

Quality of our relationship

Needs improvement	Performing	Excelling
Needs and expectations - Fair and transparent procurement processes - Long-term relationship - Value for money		Capitals impacted
How we engage with service providers - Procurement processes - Direct supplier engagement - Partnerships		Relevant material matters - Operational - Capital - Climate

Read more about our product development on page 22.

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How we create value *continued*

Organised business


Represents the broader business community and contributes to national economic dialogue

Quality of our relationship

Needs improvement

Performing

Excelling

Needs and expectations

- Collaboration on national business priorities
- Participation in policy dialogue and trade advocacy
- Engagement with industry bodies

Capitals impacted






How we engage with organised business

- Participation in business forums and industry platforms

Relevant material matters

- Strategy implementation

 Read more about sustainability on page 36.

General public


Communities and citizens who are impacted by and involved in the industry

Quality of our relationship

Needs improvement

Performing

Excelling

Needs and expectations

- Understanding of Eswatini Sugar, the sugar industry and its role in the economy
- Transparency on industry activities and impact
- Responsible environmental and social practices
- Accessible public communication and information

Capitals impacted





How we engage with the general public

- Community engagement
- Media
- Awareness initiatives
- CSI

Relevant material matters

- Reputational

 Read more about our operating environment on page 23.

Media


Communicate information about ourselves and the industry to the public

Quality of our relationship

Needs improvement

Performing

Excelling

Needs and expectations

- Access to accurate information and credible sources
- Transparency
- Responsiveness

Capitals impacted




How we engage with the media

- Availability and transparency
- Press releases
- Information sharing

Relevant material matters

- Reputational

 Read more about our operations on page 40.



Employee engagement in action

Performance highlights	Reporting approach and accountability	Leadership messages	Organisational overview	Operating context	How we create value
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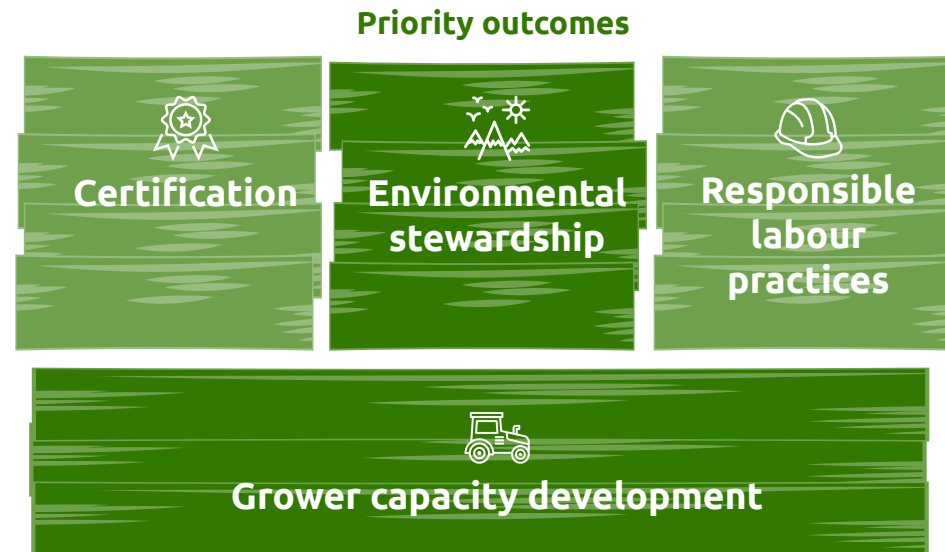
Sustainability

The industry strives to meet all sustainability requirements by benchmarking itself against global sustainability standards for continuous improvement and alignment with best management practices, to create value for its sugar and by-products.

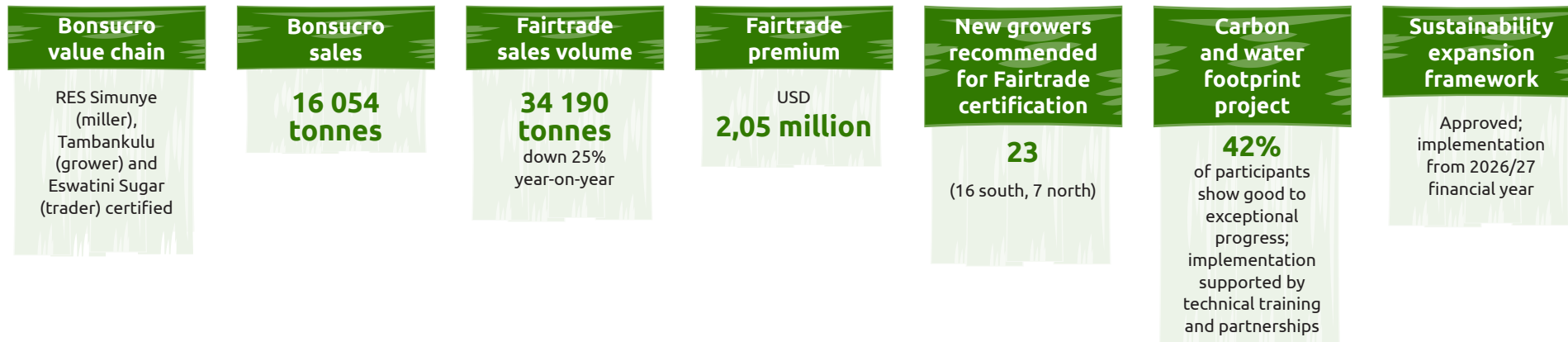
Global sugar markets are increasing emphasis on responsible production, traceability and environmental stewardship. Eswatini's access to premium export markets therefore depends not only on production performance, but also on demonstrating compliance with environmental, social and governance standards across the full value chain.

Our sustainability programme focuses on three priority outcomes: expanding certification, improving environmental stewardship and supporting responsible labour practices. These are supported by grower capacity development to help growers meet evolving sustainability requirements.

Our sustainability priorities



Year at a glance



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How we create value *continued*



Bonsucro update

The industry reached an important milestone with the certification of RES's Simunye mill and Tambankulu Estate under the Bonsucro Production Standard in October 2025. In addition, we obtained Chain of Custody certification in May 2025, strengthening the industry's ability to demonstrate traceability and compliance across the value chain, boosting access to sustainability-conscious markets.

The Bonsucro Smallholder Production Standard is in its final public consultation phase, with an expected release date of December 2026. Once finalised, an industry presentation will be scheduled to support alignment and adoption.

This is a significant step forward in making certification accessible to the small-scale growers who make up the majority of the industry.

Buyers increasingly require certified supply as a condition of purchase.

Completing the Bonsucro value chain is a material commercial achievement that protects market access and supports pricing.

The industry's ability to maintain market access will depend, in part, on ensuring labour compliance across grower operations.



Farm sustainability assessment ("FSA")

Ubombo Sugar Limited is currently the only entity in the industry certified under FSA. We are supporting the expansion of the programme to growers in the South to increase the volume of sugar certified under this standard.

Grower awareness has already been established in the south, and the programme is now transitioning into full implementation for medium and smallgrowers in the South.

Extending FSA certification to growers requires structured support, training and skills transfer to ensure growers can meet assessment requirements and sustain compliance independently over time.



Social responsibility and risk mitigation

Human Rights Due Diligence is a cornerstone of Eswatini Sugar's commitment to developing robust traceability systems across our supply chain.

We are in the process of implementing stronger oversight, and conducting a broad review of labour practices, occupational health, and community impacts across the value chain.

Maintaining compliance with ethical trade standards across all grower operations safeguards market access to customers whose procurement policies require verified adherence to local and international labour laws and standards.

International buyers are also increasingly conducting detailed ethical audits across supply chains, and findings at any point in the chain may have reputational and commercial consequences for the industry.



A tractor purchase made by Asibebahle Mbabala Investment to enhance productivity in sugarcane farming

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How we create value *continued*



We are a certified trader of Fairtrade Sugar, with currently six Fairtrade certified groups in the industry comprising 27 small-scale farmer associations

This achievement positions the industry to increase sales of Fairtrade certified volumes in the years ahead.

Fairtrade sales volumes for the period 1 April 2025 to 31 March 2026 reached 35 167 tonnes, generating premiums of USD 2,11 million. Despite a decline from the previous season (42 710 tons, generating premium of USD 2,56 million), this still represents a significant achievement for the industry at large.

Although Fairtrade volumes declined, premium income remained substantial. The 23 new growers recommended for certification represent a material increase in the industry's certified supply base.



Carbon and water footprint reduction project

The carbon and water footprint reduction initiative targets greenhouse gas (GHG) emissions and water use across sugarcane production by improving farming practices, irrigation efficiency and emissions monitoring.

This initiative is supported by a 50 000 Euro grant from Fairtrade International, running up to March 2026.

In conjunction with Fairtrade International, the project has been extended to include farm level data to generate accurate greenhouse gas (GHG) emissions profiles.

Sustainability priorities: Certification

Achieving Bonsucro Chain of Custody certification across the value chain strengthens our competitive positioning in markets where sustainability credentials increasingly determine supplier selection and pricing outcomes.

The Sustainability Expansion Framework was approved by Council in December 2025, with implementation on schedule to commence from April 2026. The framework provides a structured approach to expanding sustainability certification across the industry.

Grower capacity development

Expanding the pool of sustainability-certified growers broadens access to premium-bearing sales channels and distributes the economic benefits of certification more widely across the smallholder grower community.

Environmental stewardship

Advancing energy and water efficiency initiatives across grower operations reduces the industry's environmental impact while lowering input costs that directly affect grower viability and competitiveness.

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Corporate social responsibility

Our corporate social investment programme supports education, health, sports and environmental stewardship across Eswatini, with a focus on under privileged communities and long-term social impact.

In 2025 we invested E1,7 million in community initiatives aimed at uplifting disadvantaged Emaswati (2024: E1,1 million). These programmes form part of the industry's broader contribution to social development and community wellbeing across Eswatini.

We continued to support causes that are aligned with our values through targeted partnerships. The following initiatives represent our ongoing commitment to the environment, education, improved health and overall child welfare. Beyond the conscious demonstration of our “heart for people”, these activities further contributed to the enhancement of positive public perceptions about the organisation (and the sugar industry by extension), acutely amplifying our newly branded identity.

[Read more about our values on page 17.](#)



Classroom block at Dlalile Primary School rehabilitated by ED&F Man and Eswatini Sugar

Overview of CSI projects for the year

Education

Our endowment to the UNESWA Foundation helped the UNESWA Faculty of Agriculture (Luyengo campus) to acquire an automatic weather station and a real-time PCR machine, backed by seven years of maintenance for both.

At Dlalile Primary School, located in the middle of one of the cane-growing areas, three classrooms were refurbished through a partnership with UK-based customer ED&F Man Sugar Ltd, with technical oversight provided by the Microprojects Programme under the Ministry of Economic Planning and Development.

Health

Our donation to the Rotary Club of Mbabane helped purchase a mobile dental unit for the club's annual medical and dental health outreach programme – an annual six-day initiative that brings medical and dental services to children and communities in remote parts of the country. The programme this year took place in the Ndzevane area.

Sports

We made a contribution towards the Eswatini Schools Sports Association's annual National Schools Athletics Competition, supporting the physical and cognitive development of school-aged children, and promoting active, healthy lifestyles among the country's youth.

Environment

We partnered with the Eswatini Electricity Company (“EEC”) for this year's Earth Hour commemoration, reinforcing our commitment to energy conservation and environmental responsibility.

CSI projects at a glance

Focus area	Beneficiary	Partner	Intervention
Education	- UNESWA Faculty of Agriculture - Dlalile Primary School	- UNESWA Foundation - ED&F Man Sugar Ltd - Microprojects Programme	- Endowment fund: weather station, PCR machine, seven-year maintenance - Classroom refurbishment
Health	Rotary Club of Mbabane	Rotary Club of Mbabane	Mobile dental unit: six-day medical and dental outreach
Sports	Eswatini Schools Sports Association	ESSA	National Schools Athletics Competition 2026
Environment	EEC	EEC	Earth Hour commemoration

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Our operations and performance

Our business structure

Our business structure



Extension and Technical Services

- Supports grower productivity, sustainability and long-term cane supply through advisory, research and field services.
- Promotes sound agricultural practices and improved farm productivity
- Provides grower support through service level agreements with millers
- Advises and assists on varieties, pest and disease control, irrigation and crop management



Cane Testing and Quality

- Provides independent cane testing, quality assurance and transparent payment systems.
- Measures sucrose delivered to mills accurately and independently
- Maintains laboratory systems and testing standards
- Supports fair and reliable grower payment processes
- Coordinates industry quality management initiatives
- Oversees the coordinated implementation of the industry sustainability programme.



Advocacy and Stakeholder Engagement

- Advances industry interests locally and internationally.
- Engages and lobbies government and regulatory stakeholders on policy matters affecting the industry.
- Secures and advocates for maintenance of market access across all markets of interest.
- Leads CSI programmes, public relations and brand positioning initiatives



Commercial Department

- Manages sales, pricing, customer relationships and market development to optimise returns.
- Markets and sells sugar and molasses
- Ensures compliance with customer and market requirements
- Maintains efficient logistics and supply chain
- Implements price risk management strategies



Finance Department

- Provides financial stewardship, treasury management and commercial support.
- Oversees financial reporting and controls
- Manages members' payment processes and working capital
- Prepares sugar and sucrose price estimates
- Oversees finance risk and capital project funding



Human Capital and Administration

- Builds organisational capability through people, and administrative support.
- Oversees talent attraction, development and retention
- Supports remuneration, wellness and safe working practices
- Provides administrative and office support services
- Promotes constructive employee relations

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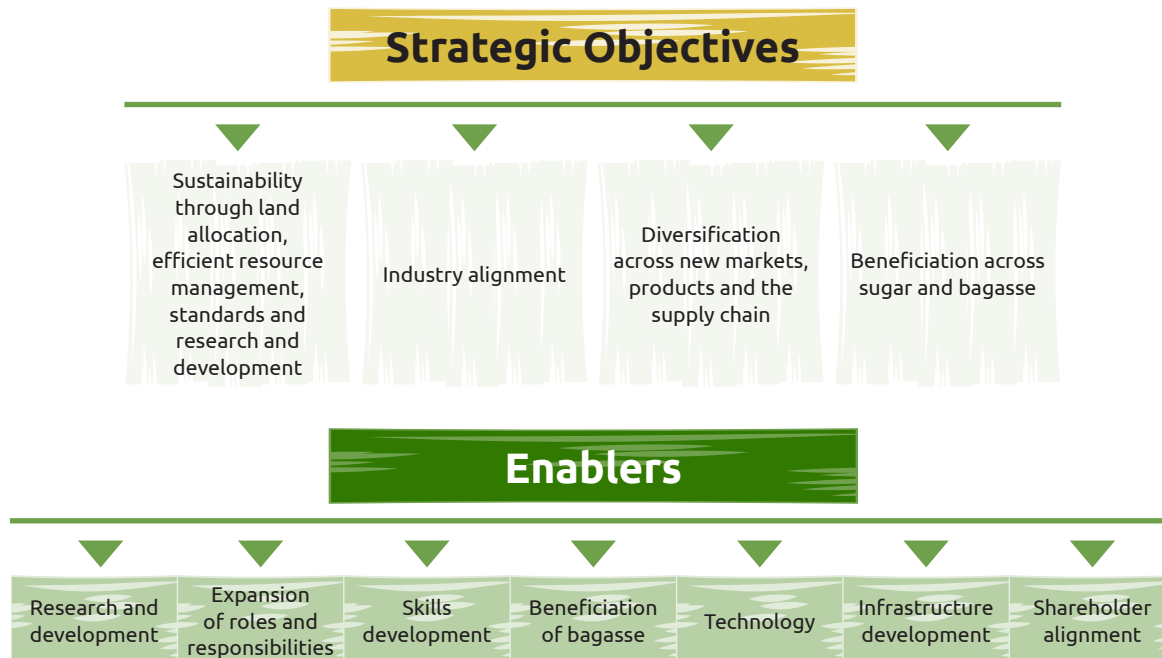
Our operations and performance *continued*



Key strategic objectives and enablers

The year under review reflected both progress and ongoing challenges for the industry. While production performance improved and operational interventions began to yield results, lower global sugar prices placed pressure on revenues.

Our key strategic objectives and enablers



Performance against strategic objectives

In a year characterised by price volatility and shifting trade dynamics, our progress against strategic priorities is encouraging.

Highlights include the development of specialty sugar products, expansion into new regional markets and stable agricultural production supported by improved farming practices.

The implementation of a framework to expand Bonsucro certification is underway, while initiatives to strengthen logistics capacity, industry coordination and research continued to support the resilience and long-term growth of the sector.



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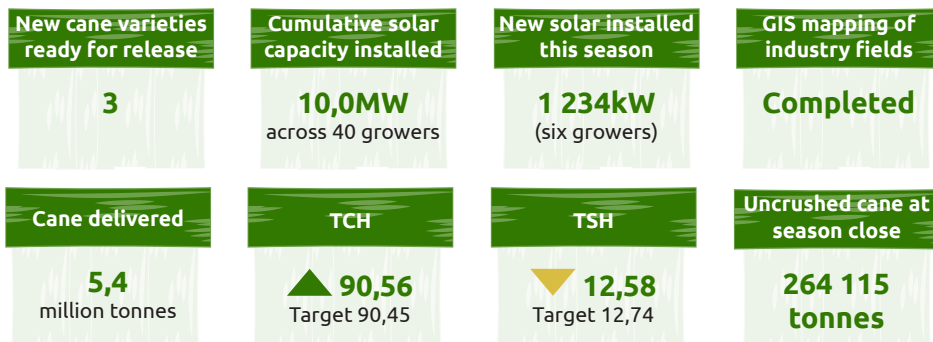
Our operations and performance *continued*

Extension and technical services

Extension and technical services support the long-term productivity and sustainability of the industry through agronomic research, crop protection, irrigation management and direct grower support.

The department advanced its core programmes during the year, moving new varieties closer to release, expanding adoption of solar power for irrigation, and strengthening support to small-scale growers. However, adverse weather conditions, prevalence of pests, and rising input costs made for a difficult end to the crushing season.

Year at a glance



Agronomy and variety development

Variety testing and crop performance trials continued throughout the season, with three new varieties now ready for commercial release, achieving a five-year strategic target. Formal approval is pending.

Work with variety providers in Zimbabwe and Brazil is ongoing to expand the cultivar pool and reduce dependence on a narrow set of existing varieties, thus strengthening genetic diversity across the industry.

Efforts to identify safer crop protection chemical alternatives to replace flagged substances used by growers progressed during the year, as the industry moves to align farming practices with stricter sustainability standards.

The proposed domestic R&D hub designed to strengthen long-term innovation capacity is to be put in place from 2026. The Yield Decline Indaba Action Plan therefore remains our department's primary tool for addressing declining productivity in the short to medium term.

Key takeaways:

Three new cane varieties are ready for release, achieving a five-year strategic target.

The cultivar pool is being expanded through partnerships with Zimbabwe and Brazil.

The establishment of a domestic R&D hub to boost innovation capacity is planned for 2026.

Irrigation and water management

Three yield forecasting and crop monitoring tools were piloted during the year. One has been selected for industry-wide adoption and its benefits are being promoted to growers. An extended pilot of a satellite-based irrigation scheduling platform was also completed, and is proving suitable for local conditions.

Solar adoption accelerates

Solar adoption continued to gain traction. Six growers installed a combined 1 234kW of solar capacity during the season, bringing the cumulative industry capacity to 10,0MW from 40 growers. In addition, the energy regulator approved a feed-in tariff, strengthening the investment case for solar by reducing both energy costs and carbon emissions for participating growers, and is expected to accelerate uptake.

Our department represented the industry's interests at national water and energy policy forums during the year, including the Water Act 2003 review, differential water pricing consultations and stakeholder engagements on energy tariff adjustments.

Regulations increase operating costs

Our department is closely monitoring a proposed differential water pricing structure with tariffs of 1,0 cent/m³ for small growers, 1,5 cents/m³ for medium growers and 2,0 cents/m³ for large growers. If adopted, the new regulation will increase operating costs across the grower base.

Furthermore, an electricity tariff increase of 13,61% was approved for 2026/27, effective 1 April 2026, putting production costs under further pressure.

Key takeaways:

The momentum of solar systems installation is building and the feed-in tariff strengthens the case for further adoption.

However, rising electricity and water costs will absorb some of the efficiency gains already achieved.

Performance highlights	Reporting approach and accountability	Leadership messages	Organisational overview	Operating context	How we create value
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Our operations and performance *continued*

Cane and sucrose yield performance

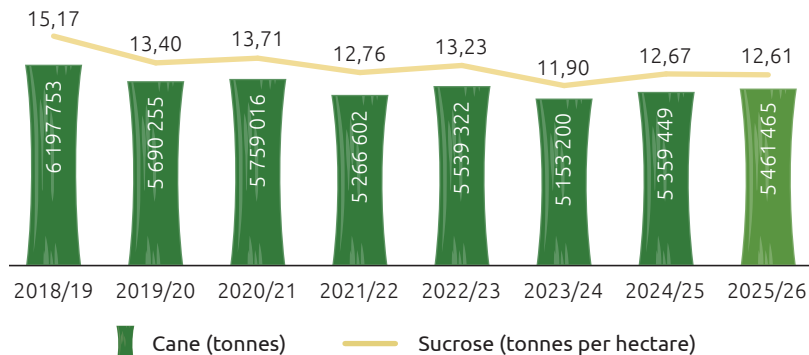
The industry delivered 5,4 million tonnes of cane in 2025/26, up from 5,3 million tonnes in 2024/25 across 59 979 hectares.

Tonnes of cane per hectare ("TCH") came in at 90,56, marginally ahead of its 90,45 target and 0,7% up on the prior season. Tonnes of sucrose per hectare ("TSH") fell to 12,58 against a target of 12,74, reflecting prolonged cloud cover from November to January that reduced radiation levels, followed by a February heatwave that suppressed sucrose accumulation in the final weeks of the growing period. Total sucrose production closed at 756 583 tonnes, a marginal increase from 754 694 tonnes the previous year.

Changes in cane yields year-on-year

Area Harvested 59 979 hectares ▲ 2024/25: 59 588 hectares (0,4%)	Cane Delivered 5 461 465 tonnes ▲ 2024/25: 5 359 449 tonnes (1,9%)	Sucrose Delivered 756 583 tonnes ▲ 2024/25: 754 703 tonnes (0,25%)
TCH 91,06 tonnes ▲ 2024/25: 89,94 tonnes (0,7%)	TSH 12,61 tonnes ▼ 2024/25: 12,67 tonnes (-0,7%)	Age 12,14 ▲ 2024/25: 11,8 (2,8%)

Cane (tonnes) and sucrose (tonnes per hectare) yields



Weather extends milling operations

Heavy rainfall towards the end of the season prevented harvesting machinery from accessing fields, leaving 264 115 tonnes of cane uncrushed, and forcing mills in the north to extend operations to 31 March 2026. Unfortunately, harvesting conditions did not improve, and a portion of this volume was carried over into the next crushing season.

The average cane harvesting age increased to 12,14 months from 11,75 months in the prior season, reflecting the impact of weather delays on the season.

Key takeaways:

Cane volumes grew and TCH target was achieved.

Late season weather disruptions drove the drop in TSH and the season extension.

Carryover cane adds uncertainty to the start of the next season.

Crop protection and pest management

Our department manages the industry's primary seedcane programme, supplying 10 000 tonnes, and maintains oversight of secondary seedcane quality to support the annual planting programme.

The programme also serves an important biosecurity function by ensuring that planting material distributed across the industry is certified and free from pests and diseases.

Eldana infestation forced our department to condemn 128 hectares of seedcane during the season, putting downstream pressure on the 950-hectare planting programme planned for 2026.

Eldana levels across the broader industry are being closely monitored as the new season approaches, and growers may need to adjust their planting schedules.



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Our operations and performance *continued*



Pest and disease surveillance

Pest and disease baseline experiments were initiated as part of the Yield Decline Action Plan, and digital field monitoring tools are in development. This step will strengthen the industry’s ability to track crop protection risks and respond more swiftly to preserve yields.

Key takeaways:

Eldana is the most immediate crop protection risk, with a direct knock-on effect for next season’s planting programme.

The emergence of sugarcane streak mosaic in the region requires continued monitoring.

Grower support

The service level agreement (“SLA”) with extension service providers was reviewed during the year to strengthen the quality and reach of service delivery.

Governance and compliance support

Governance and compliance support was offered through partnerships with the Registrar of Companies and the Department of Co-operative Development, helping growers to enhance their understanding of compliance requirements and sound governance practices.

Our department also conducted grower seminars across the industry to share technical guidance and promote best management practices. Pest and disease field surveys were conducted across the season.

The sociologist continued to assist with social and governance challenges affecting grower schemes on Swazi Nation Land. If left unresolved, these issues could disrupt production and affect the stability of grower operations. Working with the Ministry of Tinkhundla Administration and Development, our department assisted small-scale growers to settle land and shareholding disputes within farmers’ associations.

Key takeaways:

The Extension and Technical Services department’s work extends well beyond agronomy and extension services. It includes assisting with governance and social challenges affecting growers.

Resolving these issues is linked directly to production stability.

Extension and technical services performance snapshot

Indicator	2025/26	2024/25
Cane delivered	5,46 million tonnes	5,36 million tonnes
Sucrose delivered	756 583 tonnes	754 702 tonnes
Area harvested	59 979 hectares	59 592 ha
TCH (tonnes cane/ha)	91,06	89,94
TSH (tonnes sucrose/ha)	12,61	12,66
Average harvesting age	12,14 months	11,75 months
Uncrushed cane (season-end)	264 115 tonnes	—
Solar capacity installed (cumulative)	10,0 MW (40 growers)	—

Strategic targets: progress summary

Strategic target	Status
GIS mapping of industry fields (three-year target)	Completed
Solar energy implementation in growing areas (five-year target)	Ongoing – 10,0MW installed to date
Minimum three new varieties released (five-year target)	Three varieties ready, pending approval
Domestic R&D Hub	To be established from 2026
Yield Decline Indaba Action Plan	Implementation ongoing

Outlook

We anticipate wider adoption of yield forecasting and crop monitoring tools as growers become more familiar with the technologies available. Over the longer-term, work is under way to develop locally a tool tailored to Eswatini’s growing conditions.

Several external factors may influence operational performance. Labour availability, particularly cane cutters required for cane harvesting, remains an important consideration, while compliance with evolving sustainability standards may result in additional costs for growers.

Weather variability remains the most significant operational risk, with heavy rainfall events increasingly creating drainage challenges in cane growing areas as an example. The 2025/26 season illustrated how cloud cover, heatwaves and late-season rainfall can affect yields and disrupt harvesting schedules.

Rising energy and water costs, pests and disease outbreaks, and cane cutter availability will continue to influence operational performance in the short to medium term.

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Our operations and performance *continued*

Cane testing and quality

The cane testing and quality function safeguards the integrity of the industry's cane payment system.

The cane testing and quality function promotes grower confidence in the fairness and transparency of the payment framework. It does this by ensuring that cane quality (including sucrose content) is measured consistently and accurately.

RSP system tested

During the year, laboratory information systems at both milling operations were tested ahead of the Relative Sucrose Payment ("RSP") system implementation, scheduled for April 2026. The testing programme confirmed that the systems are able to generate accurate reports under the revised payment framework.

Relative payment is the adjustment of each growers sucrose deliveries to accommodate for the time period in which the cane was delivered. This ensures that the growers delivering cane at the beginning and the end of the season, when the amount of sucrose in cane is lower, are compensated appropriately. Benefits for the industry will include improved milling capacity utilisation, optimised harvesting and logistics, and removal of prejudice for non-rateable deliveries from small growers.

QMS audit findings

The quality function supported the industry's quality management system ("QMS") programme during the year. An external QMS audit carried out in January 2026 confirmed that the system was fully effective and fulfils the requirements of the standard, with no nonconformities found.

As the industry expands its sustainability certification programmes, additional technical capacity will be required to support the associated compliance and quality assurance activities. Refresher training on quality standards has therefore been scheduled for all relevant staff.

[Read more about sustainability on page 36.](#)

Commercial department

Commercial performance was impacted by weaker global sugar prices, increased competition in SACU and slower sales across several markets.

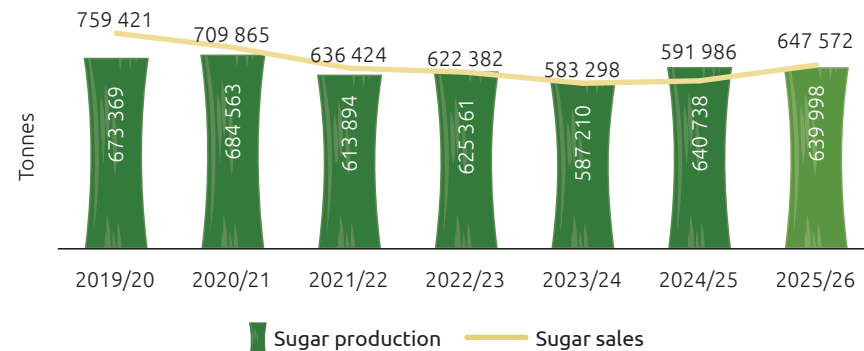
Higher volumes of world market sugar imported into SACU placed local pricing under pressure and dampened sales, affecting overall revenue performance despite higher production volumes.

Production exceeds expectation

Sugar production during the year exceeded expectations. While this created opportunities for additional sales, it also introduced operational pressures across the commercial chain, particularly in relation to packaging availability, warehousing capacity and the coordination of shipments.

Most of the additional sugar was bagged, increasing demand for packaging materials and storage capacity. Managing these volumes required careful coordination of storage and shipments to ensure milling operations continued without interruption.

Production and sales (in tonnes)



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Our operations and performance *continued*

Commercial department performance snapshot

Sugar price	7% below budget
SACU sales achievement	99% of target
US sales	19 923 tonnes (Quota 16 500 tonnes)
EU specialty sugar target	30 000 tonnes – on track
USD rate achieved	Below budget
Euro rate achieved	Below budget
Admin costs	Below budget
Net financing costs	Above budget
Customer complaints received	28

Warehousing capacity a constraint

Higher production volumes also placed pressure on storage infrastructure. Although additional facilities were secured, allowing mills to continue crushing despite slower sales, warehousing capacity remains a structural constraint.

Flow of operational pressures



Market conditions delay shipments

Market conditions also affected shipment schedules. Some shipments were delayed at the request of customers due to the substantial increase in the global sugar supply and stronger-than-expected domestic production in importing markets. These delays had financing implications, increasing the need for additional working capital. Nevertheless, we were able to fulfil all contractual shipment obligations and honour our commitments.

Customer complaints and quality

The quality of the sugar produced, previously reported on as being a challenge, improved significantly during the season under review. Customer complaints during the period related mainly to colour, packaging and sugar caking. Complaints are dealt with by a joint task team consisting of representatives from the mills and Eswatini Sugar, who investigate all reported incidents and implement corrective measures.



Sugarcane fields owned by Fairtrade-certified Phakama Mafucula

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Our operations and performance *continued*

Marketing and sales

Our marketing strategy is to get the best returns for members from all markets. SACU remains the industry's most important market, accounting for roughly two-thirds of annual sales.

Key market insights

SACU	Pricing in this market is generally higher and less volatile than world market prices, providing an important revenue base.
Specialty sugars	Demerara and Nucane have the potential to drive growth in premium markets.
East Africa	Presents growth potential but requires strategic partnerships to navigate non-tariff barriers and regulations.

During the year, world market imports into the SACU market increased considerably in the first quarter, stalling sales momentum and depressing prices.

Despite these pressures, we achieved approximately 98% of the SACU sales target.

US market

Alongside SACU, the United States remains a key lucrative market.

We fulfilled our annual quota allocation of 16 500 tonnes during the year, exporting additional volumes to optimise vessel utilisation and improve shipping economics.

Total shipments to the United States amounted to 19 923 tonnes. Although the extra volumes attract import duties, the net returns remain stronger than in many other markets.

European Union specialty sugar market

We strengthened our position in the EU specialty sugar market through the supply of brown sugar (VHP) for direct consumption and high colour VHP and demerara products.

Changes in global trade flows resulted in some South American exporters redirecting sugar to Europe after access to the US market tightened. Retaining market share under these conditions was therefore an encouraging outcome.

Regional markets

The regional market, and East Africa in particular, proved challenging this year, as prices in those markets are pegged to the world market price.

The sharp decline in global sugar prices required significant price adjustments before sales could be concluded, slowing trade activity in several markets.

We nevertheless continued to consolidate our presence in the regional market through targeted initiatives that strengthen long-term market access and diversify sales channels.

The VHP bagging facility at Mhlume, commissioned in March 2026, enables the supply of additional bagged sugar for direct consumption to wholesale and industrial customers, particularly in the region. It underpins regional market expansion. Exports of bagged sugar to the EU and other new markets also offer stronger margins and reduce exposure to world market benchmark pricing.

Looking ahead, the industry will focus on growing the bagged sugar for direct consumption and industrial use in emerging markets, while increasing the production of speciality sugars for higher-value market segments.

Regional partnerships and market access

Strategic partnerships were secured during the year to supply sugar into the region, growing the industry's regional footprint.

In addition, as part of our strategy to pursue new markets, Malawi and Madagascar were established as new export destinations, with initial shipments concluded towards year end.

We anticipate progress in market access to Angola, a regional market that remains structurally short of sugar supply. Preferential access arrangements were recently granted for SADC countries, but await gazetting. Logistics routes, both by sea via Durban and by road through Namibia, are being assessed to confirm commercial viability before the first shipment proceeds.

United States bagged sugar trial

We dispatched a trial shipment of bagged brown sugar to the US in February 2026, to explore expansion beyond the industry's traditional bulk exports to that market.

The trial assessed logistics, regulatory compliance and product performance during a 30-day sea voyage. Caking is a specific concern as the higher moisture levels in brown sugar may cause clumping if the sugar is exposed to significant temperature fluctuations in transit.

The results confirmed that bagged exports are logistically feasible, and the next phase will be to assess market appetite. A paper bag packaging trial is also planned for the current year, with shipments expected in the following season.

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Our operations and performance *continued*

Nucane patent secured

The Nucane production patent was secured during the year, with trademark registration in countries of commercial interest ongoing.

Nucane sales were below expectations, and the target of increasing specialty sugar sales by more than 10% from the 43 000 tonne baseline in 2024/25 was not achieved.

No Demerara was produced during the period under review.

Eswatini Sugar brand

We have taken a strategic decision to market our exports under the Eswatini Sugar brand, given the premium attached to origin-branded sugar in international markets.

Some industries which have long been regarded as benchmarks for origin-branded premium sugar, are facing structural pressures, and there is an opportunity to strengthen our position in markets where this supply is declining.

We have an established reputation in the Demerara segment specifically, and buyers are beginning to express interest in the product.

Pricing environment

Global sugar prices declined sharply during the year, affecting returns across all markets.

The sugar price achieved was 7% below the budget, reflecting the pressures in SACU pricing due to influx of world market imports, lower sugar prices, declining EU prices and the weakening of the US dollar on export sales

Although SACU benefits from tariff protection on imported sugar, the sharp drop in global prices combined with unfavourable exchange rate reduced the effectiveness of this protection, and imports into the SACU market soared.

These conditions resulted in lower net returns across all markets.



Pricing risk management

During the year, we trialed a pricing instrument through one of the industry's hedging partners. This facility enables us to secure pricing slightly above the New York No.11 world market benchmark under certain conditions.

Early indications suggest that the instrument has delivered improved returns compared with spot market pricing. A full assessment will be conducted at the end of the season and, if the results confirm the expected benefits, the instrument will be incorporated into our pricing strategy for the coming season.

Foreign exchange management partially offset the pricing pressures during the year, with forward cover on US dollar-denominated sales at 100%, generating gains of E90 million. The average US dollar and Euro rates achieved were below budget.

Closing stocks

The combination of higher production volumes, slower sales in certain markets and packaging constraints in regional destinations resulted in higher closing stocks than originally anticipated.

These stocks – predominantly SACU volumes that could not be absorbed before season close, and sugar packed in large bags that could not be sold into the regional market – will be carried forward into the next marketing cycle.

These market developments emphasise the need to balance production volumes, market access and logistics capacity to manage the industry's commercial programme in a volatile global sugar market.

Outlook

The year ahead will be largely shaped by two external developments: the trajectory of the SACU tariff adjustment and the outcome of the Tongaat Hulett business rescue or liquidation, both of which have direct implications for our primary market.

Globally, high production volumes are expected to keep world sugar prices under pressure, while various international trade policies remain a source of uncertainty for currency markets and trade flows.

Alongside these external developments, several operational initiatives will shape the year ahead.

The outcome of the US bagged sugar trial result will determine whether a new product channel becomes viable. Preferential access to Angola, once confirmed, will be operationalised, and increase our footprint in the region.

Further investment in logistics infrastructure and distribution capacity will support the efficient movement of sugar to export markets and strengthen the industry's ability to respond to shifting trade dynamics.

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Our operations and performance *continued*



Our people

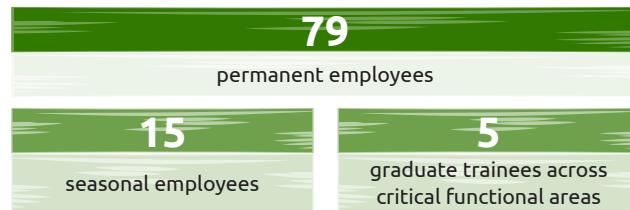
Our ability to fulfil our mandate rests on the expertise, talents and institutional knowledge of our people.

The human capital function supports employee capacity building, constructive employee relations and a safe and healthy working environment. These efforts strengthen our operational and technical capacity required to serve the industry effectively.

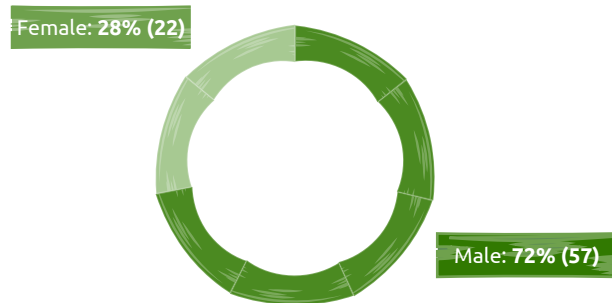
Staff retention

Our workforce remained stable, with no staff turnover, other than retirements. Critical skills and capabilities required to deliver on our mandate were retained, supporting continuity across the organisation's operations.

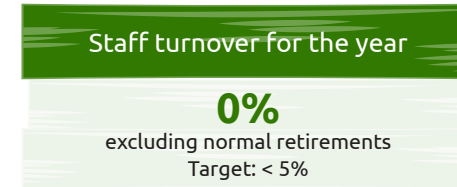
Number of employees



Gender distribution



Employee retention



Training, learning and development

We continued to invest in employee development through our annual training programme. These initiatives strengthen both human capital and the technical expertise required to meet our objectives to support the industry, while enabling employees to develop their skills and progress in their careers.

Building capability through training



Our operations and performance

Performance highlights

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How we create value

Our operations and performance *continued*



Employee wellbeing

We promote employee wellbeing through programmes that foster a healthy, supportive and respectful workplace.

During the year, all 10 of the planned employee wellness initiatives were implemented. These efforts support employee engagement while strengthening our social and relationship capital.

Wellness initiatives



Health and safety

The safety of our employees remains paramount. Risk assessments are regularly conducted across all facilities to identify and mitigate any potential workplace hazards and ensure compliance with health and safety standards.

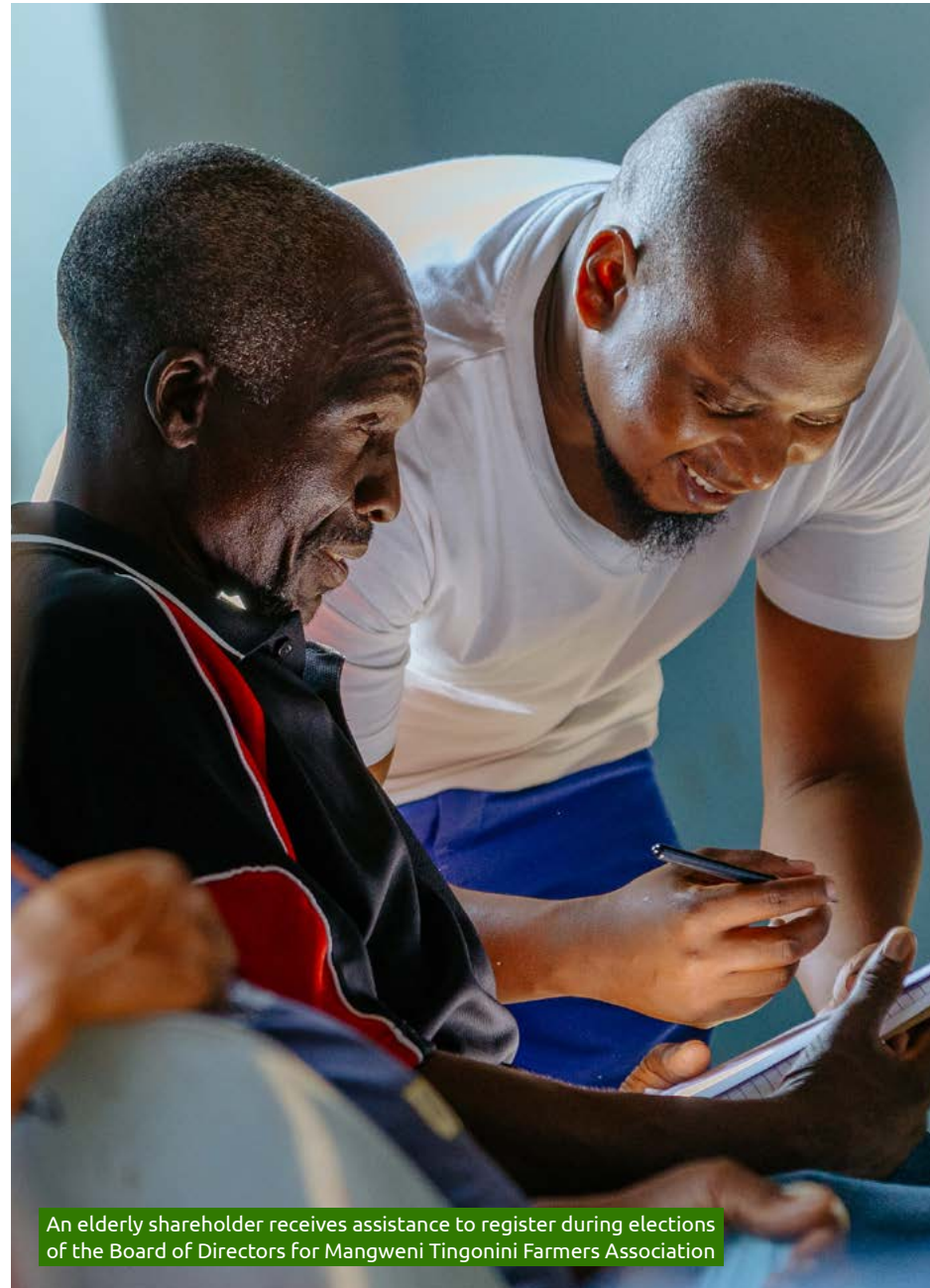
Employee engagement and labour relations

Bi-annual business feedback sessions by the CEO kept employees informed of organisational performance, key initiatives and strategic priorities. These sessions provide an opportunity for open communication and help ensure that employees remain informed and aligned with developments in the business, external factors affecting our work, and strategic priorities.

Employee relations were positive, with no strike action.

Organisational development

We completed a job grading exercise during the year to align roles with evolving responsibilities and organisational requirements. A total of 24 positions were evaluated.



An elderly shareholder receives assistance to register during elections of the Board of Directors for Mangweni Tingonini Farmers Association

Performance highlights	Reporting approach and accountability	Leadership messages	Organisational overview	Operating context	How we create value
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08 MATERIAL MATTERS AND RISK

Key material matters
 How we manage risk

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Material matters and risk

Key material matters

Our material matters are those issues which were identified to be most likely to affect our ability to deliver on strategic objectives and create and sustain value over the short, medium and long term.

An overview of key material matters

Material matter	Impact on the industry	Strategic response	Key risks
Global sugar price volatility	Revenues impacted by world sugar prices	Market diversification, pricing strategy, hedging policy	Export price volatility, global market instability
SACU market concentration	SACU accounts for a significant volume of sales, exposure to import competition erodes value and displaces sales.	- Industry engagement on SACU trade policy - Market diversification	- Import pressure on price - Sales displacement
Agricultural productivity and climate	Weather variability, pests, and farming practices directly affect cane yields and sucrose recovery	- Yield Decline Action Plan - Research - Grower support	- Yield decline - Pest and disease outbreaks
Sustainability and certification	Buyers demand sustainability certified sugar	Expansion of certification	- Sustainability compliance - Restricted market access
Logistics and cost competitiveness	Transport and logistics costs directly affect export competitiveness and reliable delivery.	- Value chain coordination - Engagement with logistics partners based in target markets	- Supply chain disruptions - Rising logistics costs

Material matters are identified through an assessment of our operating environment, the risks and opportunities facing the industry and the expectations of key stakeholders. They are considered annually as conditions change.

We apply a double materiality lens, recognising that environmental, social and governance performance is directly material to financial outcomes. These matters are informed by our strategic priorities and are reflected in the risk register that follows.

How we manage risk

Risk management is central to our ability to deliver on our strategy and create sustainable value for the industry. Council retains ultimate responsibility for the risk management strategy, discharging their duties through the Audit and Risk Committee, with management accountable for the day-to-day management of risk.

We review our risk register annually, assessing each risk based on its potential impact and probability and agree on mitigation measures and implementation deadlines. Progress is tracked through monthly management reports and quarterly submissions to the Audit and Risk Committee.

The register is updated as conditions change or new risks emerge.

Risk heat map

The table below indicates the potential impact and probability of occurrence of risks in the various risk level categories.

VH Very High Risk M Medium Risk
H High Risk L Low Risk

Impact vs. Probability (Likelihood) Matrix

Impact	Catastrophic	5	L	H	VH	VH	VH
	Critical	4	L	H	H	VH	VH
Serious	Significant	3	L	M	H	H	VH
	Minor/Insignificant	2	L	L	M	M	M
Minor/Insignificant	Minor/Insignificant	1	L	L	L	L	L
			1	2	3	4	5
			Rare	Unlikely	Moderate	Likely	Almost certain

Probability

Material matters and risk *continued*

Strategic objective 1: Increase distributable proceeds

Risk 1: Adverse SACU market conditions

Risk level: High H
 Movement: Deteriorating
 Level of control: Low

- The significant downward trend in world sugar prices has forced us to revise our pricing downwards, which resulted in the industry not meeting its budgeted price.
- Imports into SACU were 240% more than the previous year, putting pressure on the sales into that market.
- Engagements on the dollar-based reference price (“DBRP”) review continue, following the launch of a new process in January 2026.

How we managed the risk

- Worked to achieve budgeted sugar price.
- Made submission to the International Trade Administration Commission (ITAC) seeking upward review of the DBRP.
- Redirected volumes to alternative, better-paying markets

Opportunities

- Active participation in the DBRP review creates an opportunity to secure a protection of the SACU market.
- Redirecting volumes to better-paying markets strengthens our overall market resilience.

Outlook

- Import competition and downward price pressure are expected to persist.
- The outcome of the DBRP review will be a key determinant of SACU market conditions in the next season.
- We will continue to engage policy stakeholders to protect our market position.

Link to our capitals



Stakeholders impacted



Risk 2: Reduction in sugar prices

Risk level: High H
 Movement: Deteriorating
 Level of control: Low

- EU prices remained low and customer price acceptance was below budgeted levels. Our strategy was to divert EU volumes to other markets to secure better returns, and this approach is expected to continue as long as EU markets show no signs of recovery.

How we managed the risk

- Prioritised diversion of volumes from the EU to other markets to secure better returns
- Monitored EU market conditions and adjusted the sales strategy accordingly
- Drove specialty sugar sales in export markets.

Opportunities

- Sustained low EU prices accelerated the case for specialty sugar development and access to premium markets where pricing is decoupled from world benchmarks

Outlook

- The strategy of diverting volumes to better-paying markets will continue into the next season.

Link to our capitals



Stakeholders impacted



Read more about our operating context on page 23.

Key:



Deteriorating – The risk exposure has increased compared to the previous year due to a higher likelihood of occurrence, greater potential impact, or weakening control effectiveness.

Stable – The risk exposure remains broadly unchanged compared to the previous year, with no material change in likelihood, impact, or control effectiveness.

Improving – The risk exposure has decreased compared to the previous year as a result of reduced likelihood, lower potential impact, or strengthened control effectiveness.

Read more about our operating context on page 23.

Our operations and performance	Reporting approach and accountability	Leadership messages	Organisational overview	Operating context	How we create value
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Material matters and risk *continued*

Risk 3: Trade policy uncertainty



Risk level: High ☐ H ☐

Movement: Stable

Level of control: Low

- Shifting trade policy introduced uncertainty over market access and pricing for sugar exports to international destinations.

How we managed the risk

- Monitored the policy changes to ensure compliance to maintain market access.
- Ran a trial for bagged direct consumption sugar.
- Partnerships for DC sales were sought.

Opportunities

- A successful trial will open new revenue channels and establishes a platform for future US market growth.

Outlook

- Trial results will determine the pace of further development.

Link to our capitals Stakeholders impacted



Customers

Strategic objective 2: New markets, products and supply chain

Risk 4: Inability to grow new markets (and specialty sugar sales) and meet sales volume targets



Risk level: Low ☐ L ☐

Movement: Improving

Level of control: High

- Our objectives include introducing bagged sugar sales to the US, and growing specialty sugar sales by more than 10% from the 38 250 tonnes recorded in 2024/25.
- The risks included meeting quality requirements and the high cost of market entry.

How we managed the risk

- The US partnership/trial was successful.
- The VHP bagging facility was completed and ready to support this strategic direction in the new season.
- The Nucane production patent and trademark licences were acquired.
- Domestic in-store campaigns to grow the market presence of low GI sugar were done.

Opportunities

- Specialty and bagged sugar products offer better margins than raw bulk exports and reduce exposure to world price volatility.
- Regional Nucane expansion targets a growing health-conscious consumer segment across East Africa.

Outlook

- The bagging facility that came online in March 2026 marks a significant step forward. Trial results from the US and EU markets will shape the pace of further expansion. The specialty sugar strategy is gaining commercial traction. We will proceed with our US market entry programme while monitoring the broader policy environment.

Link to our capitals



Stakeholders impacted



Customers

Read more about our operating context on page 23.



Sugarcane on hilo table ready to be moved into shredder

Read more about marketing and sales on page 48.

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Material matters and risk *continued*

Strategic objective 3: Sustainability — land use, resource management and R&D

Strategic objective 3: Sustainability — land use, resource management and R&D

Risk 5: Reduced industry yields



Risk level: Low **L**
Movement: Stable
Level of control: Medium

- The industry's target was to increase cane and sucrose yields by 3% to 90,45 TCH and 12,74 TSH. Failure to achieve and sustain these targets reduces grower profitability and threatens long-term industry viability. TCH came in marginally ahead at 90,56 against a target of 90,45. TSH fell to 12,61 against a target of 12,74.

How we managed the risk

- A comprehensive Yield Decline Action Plan was developed, with implementation underway.
- Discussions with sugarcane variety providers in Zimbabwe and Brazil are underway to access new varieties.

Opportunities

- Successful implementation of the action plan positions the industry to deliver consistent productivity improvements and cane supply, and strengthens the long-term investment case for sugarcane farming.

Outlook

- Implementation of the action plan will improve industry yields. New varieties from Zimbabwe and Brazil will broaden the industry's agronomic options. Weather variability remains the most significant variable outside the industry's control.

Link to our capitals



Stakeholders impacted



Risk 6: Inadequate warehouse storage capacity



Risk level: Medium **M**
Movement: Stable
Level of control: Medium

- Insufficient storage capacity results in sugar being produced and sold as bulk at a lower value, due to the lack of bagged sugar storage space. This directly limits our ability to realise higher returns from our specialty and bagged sugar strategy.

How we managed the risk

- Additional space was secured for the season to address immediate needs

Opportunities

- Expanded storage capacity enables greater volumes of bagged and specialty sugar, directly supporting margin improvement and the market diversification strategy

Outlook

- Further storage solutions are being explored for the upcoming season. Securing adequate capacity is a prerequisite for the bagged sugar strategy to deliver at scale.

Link to our capitals

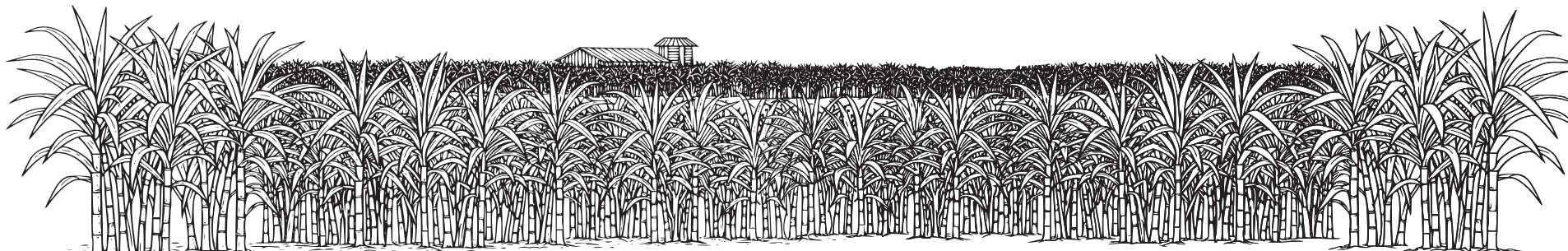


Stakeholders impacted



Read more about extension and technical services on page 43.

Read more about our commercial department performance on page 46.



Performance highlights	Reporting approach and accountability	Leadership messages	Organisational overview	Operating context	How we create value
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09 GOVERNANCE AND OVERSIGHT

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Governance and oversight

Council oversees and manages our business affairs as defined by the Sugar Industry Agreement.

Leadership structure

Meshack Kunene (66)  Chairman Nominated: September 2025 Qualifications: BEng Meshack Kunene is the former Managing Director of the Eswatini Electricity Company ("EEC"). During his 40-year career at EEC, he held several senior positions including technician, planning engineer, distribution manager and general manager.	Nick Jackson (61)  President Tenure: 1 April 2025 to 31 March 2026 Qualifications: Biochemistry (Honours) Nick Jackson holds the position of President of Eswatini Sugar, following his nomination by the Eswatini Sugar Millers Association ("ESMA"). He is currently Managing Director of the Royal Eswatini Sugar Corporation ("RES") and Chairman of the Board of Enviro Applied Products. He is the former CEO of the Guyana Sugar Corporation in the Caribbean. Mr Jackson also serves on the Boards of several Eswatini institutions and has been a member of Council for 16 years.	Stuart Geldenhuys (69)  Vice President Tenure: 1 April 2025 to 31 March 2026 Qualifications: Diploma in Agriculture Stuart Geldenhuys has more than 30 years' experience in the sugarcane and citrus growing industries and currently serves as Estate Manager at Tambuti Estates. He was nominated to the Eswatini Sugar Council by the Eswatini Cane Growers Association and currently serves as Vice President. Mr Geldenhuys has been a member of Council for 17 years.
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Council composition

Council oversees our affairs and provides strategic direction to the industry. It is constituted by up to 24 members nominated by the Eswatini Sugar Millers Association ("ESMA") and the Eswatini Cane Growers Association ("ECGA"), ensuring equal representation from the milling and growing sectors. It is led by an independent Chairperson.

Members bring extensive experience across sugar milling, finance, legal, commercial and agricultural operations.

Decisions of Council and its subcommittees are reached by consensus, with each association casting one vote. In considering appointments to governance structures and subcommittees, ESMA and ECGA assess the relevant competencies, experience and sector knowledge of candidates.

Eswatini Sugar Millers Association

Council members nominated by the Eswatini Sugar Millers Association ("ESMA") are senior executives from the country's two milling companies, Royal Eswatini Sugar Corporation ("RES") and Ubombo Sugar Limited. Their expertise spans sugar milling operations as well as finance, legal, commercial and agricultural disciplines. On average, they bring 18 years' industry experience and nine years' tenure on Council.

Eswatini Cane Growers Association

Council members nominated by the Eswatini Cane Growers Association ("ECGA") represent a cross-section of the growing section, including executives from leading sugar estates, Tibiyo Taka Ngwane (for their sugarcane growing operations) and independent growers. Their expertise lies primarily in sugarcane cultivation and farm management. On average, they have 22 years' industry experience and approximately 10 years' service on Council.

Council leadership

Chairperson

The Chairperson is independent and has no direct or indirect interest in sugarcane growing, milling or sugar trading in Eswatini. The Chairperson is nominated and appointed at the Annual General Meeting ("AGM") and is responsible for leading Council and Marketing Executive Committee meetings. In the event of a tied vote, the Chairperson may exercise a casting vote in accordance with the Eswatini Sugar Constitution.

President and Vice President

The President and Vice President are elected at the AGM from among nominated delegates. These roles are held by representatives of the milling and growing sectors and alternate annually between ECGA and ESMA. The President chairs the AGM and represents us in public forums when mandated by Council. The Vice President assumes these responsibilities when the President is unavailable.

Company Secretary

The Financial Director also serves as Company Secretary. The Secretary's responsibilities are prescribed by our Constitution and include any additional duties assigned by Council from time to time. The Secretary provides guidance on governance matters and supports Council in the proper execution of its duties. Council is satisfied that no conflict of interest arises from this dual role.

Performance highlights	Reporting approach and accountability	Leadership messages	Organisational overview	Operating context	How we create value
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Governance and oversight *continued*



Executive Committee

We are led by a diverse and experienced executive management team headed by the CEO and comprising functional leaders responsible for commercial operations, finance, agricultural and technical services, human capital and stakeholder engagement.



Banele Nyamane (47)

Chief Executive Officer
LLB; B Compt (Hons); CA (SA)
12 years of service



Andrea A Mendes (37)

Financial Director and Company Secretary
CA (SA) – EIA & SAICA
3 years of service



Walter Sipho Matsebula (48)

Commercial Director
MSc (International Economics)
20 years of service



Noah Dlamini (60)
*Retired 31 December 2025

Head: Extension and Technical Services
MSc Agricultural Engineering; EDP
13 years of service



Lungile Motsa (50)

Head: Human Capital and Administration
Master in Business Leadership
25 years of service



Mandisa Maphalala (42)

Head: Cane Testing and Quality
BSc; Certificate Sugar Engineering; MDP
1 year of service



Nontobeko Mabuza (45)

Head: Advocacy and Stakeholder Engagement
Master of Development Finance
10 years of service

Performance highlights	Reporting approach and accountability	Material matters and risk	Leadership messages	Organisational overview	Operating context	How we create value
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Governance and oversight *continued*



Governance framework

Our governance framework ensures that we operate in a transparent and responsible manner while safeguarding long-term value creation for the industry.

Governance practices

Council is responsible for setting our strategic direction and overseeing the organisation's affairs. Its responsibilities include approving key policies and plans, overseeing risk management, monitoring performance and ensuring appropriate accountability across the organisation. Certain responsibilities are delegated to Council subcommittees to support effective governance.

Council safeguards the long-term sustainability of the industry through effective oversight, regulatory compliance and adherence to sound corporate governance practices.

Council confirms that it has fulfilled its responsibilities in accordance with our Constitution and has applied the relevant principles and practices of the King IV Report on Corporate Governance.

Code of Conduct

We maintain a Code of Conduct that sets out the standards of integrity, accountability and legal compliance expected of Council and committee members. Separate codes apply to our employees and suppliers of goods and services.

Internal controls

We have adopted a combined assurance approach to optimise oversight of risks identified by management, internal audit and external assurance providers. Risks are identified, assessed and mitigated through strategic actions, insurance and internal control measures.

The system of internal control provides reasonable assurance regarding the integrity and reliability of our financial and operational management information. These controls safeguard assets and ensure that transactions are appropriately authorised and recorded.

Further information on risk management is provided on page 53.



Potable water for the Mafucula community, powered by solar energy

Performance highlights	Reporting approach and accountability	Leadership messages	Organisational overview	Operating context	How we create value
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Governance and oversight *continued*



Council focus areas 2025/26

During the year under review, Council focused on matters most likely to influence the commercial performance, sustainability and long-term competitiveness of the sugar industry, with deliberations centred on four key areas:



1. Commercial performance and market conditions

Market conditions became a key focus of Council's discussions as the year progressed. Risks related to declining global sugar prices and rising imports were identified as early as the June 2025 meeting, when Council noted their potential impact on the industry's financial performance.

By September 2025 these risks had materialised. Council undertook a detailed review of the season's performance as sales volumes weakened driven by weak offtake across both SACU and regional markets. In response to increased competition from imported sugar in SACU, Council approved remedial action to be taken.

Discussions in March 2026 confirmed that the 2026/27 season was likely to face similar structural headwinds. Continued import pressure threatens SACU market performance, a low dollar-based reference price was suppressing tariff protection, depressed global prices and a weakening dollar all require both commercial agility and continued policy engagement.

2. Sustainability and market access

Sustainability remained a key area of Council oversight during the year. We achieved Bonsucro Production and Chain of Custody certification, strengthening the industry's sustainability credentials and completed the Fairtrade Expansion project.

Work also progressed with extending certification across both miller-cum-planters ("MCP") and out growers, supported by grower training on best management practices, sustainability standard requirements and reducing the industry's carbon footprint

Two emerging risks to market access also came into focus. The EU Deforestation-free Products Regulation, introduced in 2023 with phased implementation through 2025, is expected to apply to sugar by 2027/28. EU customers were already requesting non-deforestation commitments from suppliers, underscoring the need for early compliance to safeguard the industry's position in this market.

Separately, media coverage raising potential human rights concerns in the agricultural sector reinforced the importance of ensuring that the industry works with ethical suppliers and upholds labour and community practices consistent with its values.

3. Industry systems and alignment

Council commissioned the testing of Relative Sucrose Payment (RSP) for the Eswatini Cane Payment System at its March 2025 meeting. A review was conducted in September 2025, with implementation envisaged from 1 April 2026.

The revised system represents significant step towards a more equitable payment framework for growers. The system has been in development for several years and is expected to strengthen long-term relationships between growers and millers. Progress against the April 2026 go-live was tracked through to March 2026, when the implementation was approved.



A farm worker manning a pump house

Performance highlights	Reporting approach and accountability	Leadership messages	Organisational overview	Operating context	How we create value
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Governance and oversight *continued*



Council activity: 2025/26

June 2025	SACU import competition and low world price risks flagged. Bonsucro Production and Chain of Custody certification achieved. Fairtrade expansion project confirmed fully complete. EUDR compliance risk deliberated. Human rights in the agricultural sector deliberated.
December 2025	Season performance reviewed — volumes, pricing, exchange rate impact.
March 2026	2026/27 budget and market headwinds confirmed. Focus areas for 2026/27 identified. RSP system reviewed and approved for April 2026 implementation

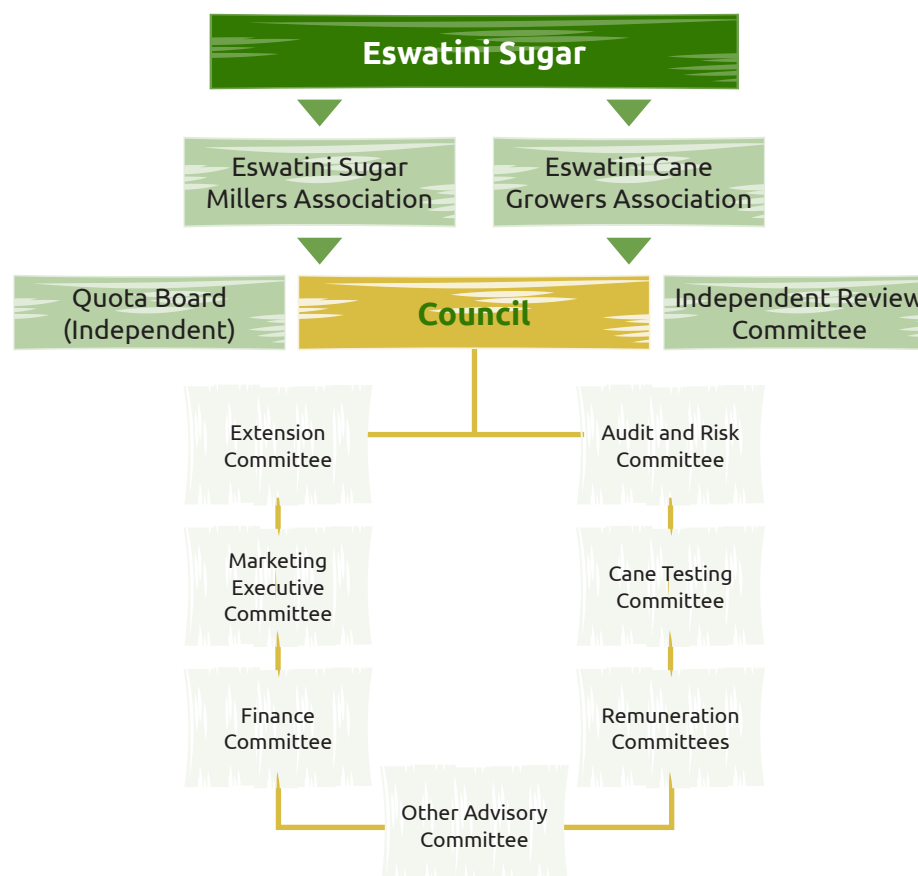
Priority areas for 2026/27

- 1 Implementation of the RSP system from April 2026.
- 2 Finalisation of the refining and VHP allowance models, as well as the bagasse beneficiation framework, to support future revenue diversification
- 3 Targeted public relations interventions to address market dynamics affecting the industry's commercial position, with particular focus on import competition in SACU.

Governance structure

Our robust governance practices and structures safeguard value creation and support oversight and responsible decision-making at all levels of Eswatini Sugar.

Governance structure



Performance highlights	Reporting approach and accountability	Leadership messages	Organisational overview	Operating context	How we create value
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Governance and oversight *continued*



Committees and mandates

Seven subcommittees support Council in fulfilling its oversight duties. Each committee has clearly defined terms of reference and comprises equal representation from millers and growers. Committees report regularly to Council on their activities and recommendations.

Read more about governance on page 60.

Council

Conducts and manages all our business affairs and exercises all powers conferred upon it and its committees.

24 members: 12 millers, 12 growers (drawn equally from Mhlume, Big Bend and Simunye)
Meets: Quarterly

CHAIR	MILLERS		
M Kunene (Independent) (Appointed September 2022)	Mhlume: N Jackson (President, 1 April 2025 - 31 Mar 2026) IB Oosthuizen D Dhliwayo Vacant	Big Bend: M Siyaya L Ndzimandze P Nxumalo Vacant	Simunye: MI Maziya P Mweli T Sifundza Vacant
GROWERS			
	Mhlume: Mr M Jeje B James C Shabangu E Nxumalo	Ubombo: S Geldenhuys (Vice President: 1 April 2025 - 31 March 2026) A T Dlamini T Gina Mr L Msibi	Simunye: P Malandula S Mabila L Dlamini R Dlamini

Finance Committee

Advises Council on industry financial matters, including the sugar price estimate process, foreign exchange hedging policy and working capital management.

Four members
Meets: Quarterly

CHAIR	MILLERS	
B Nyamane (CEO)	P Nxumalo (Alternate: L Ndzimandze)	
	D Dhliwayo (Alternate: M Zwane)	
	GROWERS	
	N Mthembu (Alternate: S Nyamane)	
	L Dlamini (Alternate: A Ngcobo)	

Audit and Risk Committee

Assists Council in fulfilling its oversight responsibilities across accounting policies, internal controls, financial reporting and regulatory compliance.

Four members
(equal miller and grower representation)
Meets: Quarterly

CHAIR	MILLERS
D Ngwenya (Independent)	P Nxumalo (Alternate: L Ndzimandze) D Dhliwayo (Alternate: M Zwane)
GROWERS	
	S Nyamane (Alternate: N. Mthembu) A Ngcobo (Alternate: L Dlamini)

Remuneration Committee

Ensures that our remuneration policy and practices reward fairly and responsibly, with a clear link to corporate and individual performance.

Five members
Meets: Quarterly

CHAIR	MEMBERS
N Jackson (from 1 April 2025)	M Siyaya Dr AT Dlamini C Shabangu S Geldenhuys

Independent Review Committee

Deals with technical matters referred to it by Council. Currently tasked with determining allowances paid to millers for producing refined and VHP sugars, and for establishing the beneficial use of bagasse.

Three members
(independent expertise in sugar processing, finance and law)
Meets: As required

CHAIR	MEMBERS
S Dlamini (Independent)	G Tutt B Govender

Performance highlights	Reporting approach and accountability	Leadership messages	Organisational overview	Operating context	How we create value
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Operational and technical committees

Exercises all powers of Eswatini Sugar relating to the purchase, marketing, sale and disposal of all sugar produced and its by-products.

Six members
Meets: Quarterly

CHAIR	MILLERS		
M Kunene (Independent) (Reappointed 18 September 2025)	Mhlume: N Jackson (Member) D Dhliwayo (Alternate)	Big Bend: M Siyaya (Member) P Nxumalo (Alternate)	Simunye: MI Maziya (Member) IB Oosthuizen (Alternate)
GROWERS			
	Mhlume: C Shabangu (Member) B James (Alternate)	Ubombo: S Geldenhuys (Member) Dr AT Dlamini (Alternate)	Simunye: P Malandula (Member) R Dlamini (Alternate)

Advises Council on the direction of all technical services, with the exception of cane testing. This includes crop production research, pest and disease control and extension services.

Six members
Meets: Quarterly

CHAIR	GROWERS PLANTERS GROUP		
Alternates between miller and grower representative	Mhlume: O Mabuza C Mahlalela (Alternate)	Big Bend: L Msibi L Ngwenya (Alternate)	Simunye: S Mahlalela R Dlamini (Alternate)
	MILLERS ASSOCIATION		
	Mhlume: M Gama (Chair) N Mkhonta (Alternate)	Big Bend: K Mudima Vacant (Alternate)	Simunye: R Malaza V Malubane (Alternate)

Supervises the cane testing service at the mills and advises us on all matters relating to cane testing.

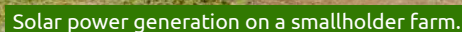
Six members
Meets: Quarterly

CHAIR	GROWERS PLANTERS GROUP		
Alternates between miller and grower representative	Mhlume:	Big Bend:	Simunye:
	O Mabuza	L Ngwenya (Chair)	S Mahlalela
	Vacant (Alternate)	L Msibi	R Dlamini (Alternate)
MILLERS ASSOCIATION			
	Mhlume:	Big Bends:	Simunye:
	W Simelane	M Muirhead	T Kunene
	P Dlamini (Alternate)	M Ndlovu (Alternate)	H Dlamini (Alternate)

Responsible for the issuing of permits and licences to grow cane for the manufacture of sugar.

Nine members
Meets: At least once
a year

CHAIR	MEMBERS
S Mkhonta	B James Mr (Alternate: C Shabangu) S Geldenhuys (Alternate: T Nkambule) P M Malandvula (Alternate: S Mahlalela) L Thobela (Alternate: IB Oosthuizen) K Mudima (Alternate: Vacant) M Gama (Alternate: Robert Malaza) D Earnshaw (Independent) (Alternate: N Mnisi) S P Mbatha (Independent) (Alternate: N Mavuso)



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Financial statements



Council members' responsibility statement

for the year ended 31 March 2026

Council Members' responsibility statement for the consolidated and separate financial statements

The members are responsible for the preparation and fair presentation of the consolidated financial statements which comply with IFRS Accounting Standards and which, in accordance with those standards, fairly present the state of affairs of the Association as at the end of the financial year, and the net income and cash flows for that period.

It is the responsibility of the independent auditors to report on the fair presentation of the consolidated financial statements.

The members are ultimately responsible for the internal controls. Management enables the members to meet these responsibilities. Standards and systems of internal control are designed and implemented by management to provide reasonable assurance as to the integrity and reliability of the financial statements in terms of IFRS Accounting Standards and to adequately safeguard, verify and maintain accountability for the association assets. Accounting policies supported by judgements, estimates, and assumptions which comply with IFRS Accounting Standards, are applied on a consistent and going concern basis. Systems and controls include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties.

Based on the information and explanations given by management and the internal auditors, the members are of the opinion that the accounting controls are adequate and that the financial records may be relied upon for preparing the consolidated and separate financial statements in accordance with IFRS Accounting Standards and maintaining accountability for the association's assets and liabilities. Nothing has come to the attention of the members to indicate that any breakdown in the functioning of these controls, resulting in material loss to the association, has occurred during the year and up to the date of this report. The members have a reasonable expectation that the association has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the consolidated and separate financial statements.

Approval of consolidated and separate financial statements

The consolidated financial statements prepared in accordance with IFRS Accounting Standards which appear on pages 68 to 78 were approved by the council members on 02 July 2026 and signed on its behalf by:

Mashack Kunene

M. Kunene
Chairman

B. Nyamane
Chief Executive Officer

Audited information from which the summary financial information is extracted

The summary financial results are extracted from the audited consolidated and separate financial statements but are not themselves audited. The summary consolidated and separate financial statements were audited by PricewaterhouseCoopers, who expressed an unmodified audit report thereon. The audited consolidated and separate financial statements and the auditor's report thereon are available for inspection at the Association's registered office.

The directors take full responsibility for the preparation of the summary consolidated and separate financial results and that the financial information has been correctly extracted from the underlying consolidated and separate financial statements.

PricewaterhouseCoopers
Partner: Makhosazana Mhlana
Registered Auditor
P O Box 569
Mbabane
Date: 15 July 2025

Performance highlights	Reporting approach and accountability	Leadership messages	Organisational overview	Operating context	How we create value
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Council members' report

For the year ended 31 March 2026

Council has pleasure in submitting their report together with the consolidated and separate financial statements of the Association for the financial year ended 31 March 2026.

Business activities

The Association, which is established by an Act of Parliament, is involved in the purchasing and selling of sugar and molasses in Eswatini. The function of the Association under the Act is to regulate the sugar industry, market sugar and its by- products.

General review of business operations and results

The state of affairs of the Association at 31 March 2026 and the results of its operations for the year then ended, are fully set out in these financial statements.

Results of operations

The Group recorded revenue of E8,08 billion (2025: E7,71 billion). The increase in revenue is mainly attributable to an increase in the sales volumes. The cost of sales increased from E7,29 billion to E7,69 billion in line with an increase in distributable proceeds. Profits that are made by the Association are distributed in full to the millers and growers and form part of the cost of sales. Distribution costs incurred during the year were E11,33 million (2025: E31,30 million), decreasing due to more sales being on FOB versus CIF.

Foreign exchange gain of E90,05 million was realised compared to a gain of E32,99 million in the previous year. Interest paid increased from E298,95 million to E335,36 million mainly due to increased funding needs as a result of slow-moving sales mainly in SACU due to influx of imports. Total overheads increased from E118,67 million to E132,94 million.

Inventories decreased from E1,150 million to E1,034 million due to lower valuation price as a result of the depressed sugar prices. Trade receivables and other receivables increased by E215,39 million due to higher sales volume made in the last month of the financial year. Trade payables decreased by E332,51 million mainly because of lower mill creditors than prior year. Bank overdraft increase of E295,73 million is a direct result of deferral of sales resulting in higher funding needs during the course of the financial period.

Going concern

The global conflicts coupled with climate change are increasingly affecting economic and global markets, and exacerbating ongoing economic challenges, including a rise in inflation, volatile interest rates, low global sugar production levels and global supply chain disruptions. Exchange rates, in particular the Euro and USD traded at stronger levels throughout financial year which reduced the proceeds from export sales. This coupled with unfavourable prices across all markets, in turn impacted negatively on revenue for the Association and resultantly the overall distribution to Millers and Growers.

Council have reviewed budgets and cashflow forecasts for the next few years and considered the Association's ability to continue as a going concern in light of current and anticipated economic conditions. These budgets and cashflow forecast took into consideration the impact of the current economic climate, including projections of the impact on the Association's funding and liquidity requirements, all of which have remained within internal targets.

As part of this assessment, Council considered the sufficiency of the Association's financial resources throughout the economic conditions. The management of the Association's financial resources, which it defines as funding and liquidity, and risk capacity, is a critical enabler of the achievement of the Association's stated growth targets and achieving its mandate as per the Sugar Act.

On the basis of this review, and in light of the current financial position, Council is satisfied that the Association has adequate resources to continue in operating for the foreseeable future. The going concern basis, therefore, continues to apply and has been adopted in the preparation of the annual financial statements.

Subsidiaries and jointly controlled company

The Association has the following subsidiary companies:

Eswatini Sugar Assets Limited	100%
Sugar Assets (Mhlume) Limited	100%
Sugar Assets (Simunye) Limited	100%

The Association has interest in the following jointly controlled company:

Sociedade Terminal de Açúcar De Maputo Lemitada ("STAM")	25%
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Corporate Governance

The Group view the implementation of best corporate governance practice as a fundamental characteristic of its operations. Council is committed to the constitution and implementation of initiatives to improve corporate governance for the benefit of all members. A focus on sustainable value will benefit all the Group's stakeholders.

Performance highlights	Reporting approach and accountability	Leadership messages	Organisational overview	Operating context	How we create value
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Financial statements *continued*



Consolidated and separate statements of comprehensive income

For the year ended 31 March 2026

	Notes	Group		Association	
		2026 E'000	2025 E'000	2026 E'000	2025 E'000
REVENUE	6	8 084 431	7 706 896	8 084 431	7 706 896
Cost of sales	8.3	(7 685 787)	(7 287 477)	(7 720 686)	(7 322 217)
Gross profit		398 644	419 419	363 745	384 679
Other expense		(475)	(434)	(475)	(434)
Distribution costs		(11 328)	(31 315)	(11 123)	(31 298)
Administrative expenses	7	(139 825)	(118 665)	(137 406)	(116 394)
Foreign exchange gains	8.2	90 053	32 990	90 053	32 990
Operating profit before financing costs		337 069	301 995	304 794	269 543
Finance income		76	–	31 619	29 968
Finance expense		(335 359)	(298 953)	(335 359)	(298 953)
Net financing costs	8.1	(335 283)	(298 953)	(303 740)	(268 985)
Share of loss of jointly controlled entity (net of tax)		(732)	(2 484)	–	–
Profit before tax		1 054	558	1 054	558
Income tax expense	9	(1 054)	(558)	(1 054)	(558)
Profit for the year		–	–	–	–
Transfer to distributable reserves		–	–	–	–
OTHER COMPREHENSIVE INCOME					
<i>Items that are or may be reclassified to profit or loss</i>					
Unrealised cash flow hedges	24	(2 589)	7 961	(2 589)	7 961
Total comprehensive income for the year		(2 589)	7 961	(2 589)	7 961

*The above Consolidate and Separate statements of comprehensive income should be read in conjunction with the accompanying summary of significant accounting policies and notes to the financial statements.

Performance highlights	Reporting approach and accountability	Leadership messages	Organisational overview	Operating context	How we create value
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Financial statements *continued*



Consolidated and separate statements of financial position

As at 31 March 2026

	Notes	Group		Association	
		2026 E'000	2025 E'000	2026 E'000	2025 E'000
ASSETS					
Non-current assets					
Property, plant and equipment	10	334 339	300 367	11 255	24 486
Loans to subsidiaries	14	–	–	322 786	275 584
Jointly controlled entity	11	42 033	54 383	39 363	39 362
Total non-current assets		376 372	354 750	373 404	339 432
Current assets					
Inventories	12	1 034 419	1 150 482	1 034 419	1 150 482
Trade and other receivables	13	958 834	743 443	958 834	743 443
Derivative asset	24	(2 589)	7 961	(2 589)	7 961
Cash and cash equivalents	18.3	45 630	38 074	45 630	38 074
Total current assets		2 036 294	1 939 960	2 036 294	1 939 960
Total assets		2 412 666	2 294 710	2 412 666	2 279 392
RESERVES AND LIABILITIES					
Non-distributable reserve	15	3 934	3 934	3 934	3 934
Cash flow hedge reserve	24	(2 589)	7 961	(2 589)	7 961
Total reserves		1 345	11 895	1 345	11 895
Non-current liabilities					
Long term borrowings	16.1	150 000	167 442	150 000	167 442
Current liabilities					
Bank overdraft	18.3	1 361 365	1 065 640	1 361 365	1 065 640
Current tax liability	18.2	–	611	–	611
Short term borrowings	16.2	584 986	389 290	584 986	389 290
Trade and other payables	17	314 970	659 832	312 002	644 514
Total current liabilities		2 261 321	2 115 373	2 258 353	2 100 055
Total liabilities		2 411 321	2 282 815	2 408 353	2 267 497
Total reserves and liabilities		2 412 666	2 294 710	2 409 698	2 279 392

*The above Consolidated and Separate statement of financial position should be read in conjunction with the accompanying summary of significant accounting policies and notes to the financial statements.

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Financial statements *continued*



Consolidated and separate statements of cash flows

For the year ended 31 March 2026

	Notes	Group		Association	
		2026 E'000	2025 E'000	2026 E'000	2025 E'000
Cash flows from operating activities					
Cash utilised in operations	18.1	(65 580)	(412 603)	(129 191)	(436 115)
Interest paid on borrowings and overdraft	16.4	(330 035)	(292 920)	(330 035)	(292 920)
Taxation paid	18.2	(1 665)	(486)	(1 665)	(486)
<i>Net cash outflows from operating activities</i>		(397 280)	(706 009)	(460 891)	(729 521)
Cash flows from investing activities					
Acquisition of property, plant and equipment	10	(64 385)	(33 821)	(774)	(10 309)
Proceeds from financial investments liquidation		–	–	–	–
Acquisition of financial investments		–	–	–	–
Proceeds from the sale of property, plant and equipment		526	292	526	292
<i>Net cash outflows from investing activities</i>		(63 859)	(33 529)	(248)	(10 017)
Cash flows from financing activities					
Proceeds from borrowings	16.4	205 000	102 000	205 000	102 000
Principal repayments – borrowings	16.4	(32 030)	(29 726)	(32 030)	(29 726)
Proceeds from bank overdraft	16.4	1 361 365	1 065 640	1 361 365	1 065 640
Repayment – bank overdraft	16.4	(1 065 640)	(369 842)	(1 065 640)	(369 842)
<i>Net cash inflows from financing activities</i>		468 695	768 072	468 695	768 072
Net increase in cash and cash equivalents		7 556	28 534	7 556	28 534
Cash and cash equivalents at the beginning of the year		38 074	9 540	38 074	9 540
Cash and cash equivalents at the end of the year	18.3	45 630	38 074	45 630	38 074

*The above Consolidated and Separate statement of cashflows should be read in conjunction with the accompanying summary of significant accounting policies and notes to the financial statements.

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Financial statements *continued*



Consolidated and separate statements of changes in reserves

For the year ended 31 March 2026

	Non-distributable reserve E'000	Other reserve E'000	Total equity E'000
Group and Association 2026			
Balance at the beginning of the year	3 934	7 961	11 895
Total comprehensive income for the year:	-	(10 550)	(10 550)
Profit for the year	-	-	-
Prior year cashflow hedge reversal	-	(7 961)	(7 961)
Changes in fair value of cash flow hedges	-	(2 589)	(2 589)
Balance at the end of the year	3 934	(2 589)	1 345
Group and Association 2025			
Balance at the beginning of the year	3 934	6 979	10 913
Total comprehensive income for the year:	-	982	982
Profit for the year	-	-	-
Prior year cashflow hedge reversal	-	(6 979)	(6 979)
Changes in fair value of cash flow hedges	-	7 961	7 961
Balance at the end of the year	3 934	7 961	11 895

*The above Consolidated and Separate statement of changes in equity should be read in conjunction with the accompanying summary of significant accounting policies and notes to the financial statements.

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Notes to the financial statements

for the year ended 31 March 2026

1. Significant accounting policies

1.1 Foreign currency

Foreign currency transactions

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to Lilangeni at the foreign exchange rate ruling at the reporting date. Foreign exchange differences arising on translation are recognised in profit or loss. Non-monetary assets and liabilities that are measured in terms of historical costs in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities that are measured at fair value in foreign currencies are translated to Emalangeni at foreign exchange rates ruling at the date the fair value was determined. These foreign currency exchange differences are also recognised in profit or loss.

1.2 Inventories

Inventories of sugar and molasses on hand at the year-end are valued at estimated selling price in the ordinary course of business, less estimated volume rebates, discounts, and point of sale costs.

Management's determination of the selling price is based on the most reliable evidence available at reporting date.

Other stocks are valued at the lower of cost and net realisable value, on a first in - first out basis.

1.3 Revenue

Revenue is derived from sale of sugar and molasses. Revenue is recognised when or as the Group satisfies performance obligations by transferring a good or service to a customer. The Group has determined that it generates all its revenues at a point in time. Revenue is measured based on the consideration specified in the different contracts with customers and net of value-added tax, rebates and discounts.

i) Sugar and molasses sales

The group buys and sells sugar and molasses from millers and growers. Revenue is recognised when control of sugar and molasses has transferred, when the sugar or molasses is delivered to the customer. For the local market delivery is generally when the sugar or molasses is released from the warehouse to the customer, while for the export market, depending on the terms of the sale, if free-on-board (FOB), the sale is recognised upon loading the sugar to the carrier and issuance of the bill of lading. In the case of cost-insurance-freight sale, revenue is recognised when the carrier has discharged the sugar to the customer, at the customer's port destination. Molasses revenue is for the local market and revenue is recognised upon release to the customer at the warehouse. The group has full discretion, over the channels and price, to sell sugar and molasses, and there are no unfulfilled obligation that can affect customer's acceptance of sugar or molasses.

Revenue from the sale of sugar and molasses is recognised in profit or loss when significant risks and rewards of ownership have been transferred to the buyer. Revenue is measured at the fair value of the consideration received or receivable, net of strategic rebates, export rebates and discounts. The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the group's activities as described above. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

ii) Export sales

Export sales proceeds are translated at the rate ruling when the risk and rewards have passed to the buyer. The difference between the actual rates of exchange at transaction date and the rate at which the group has obtained advances in foreign currencies for those sales or, where applicable, the rates of exchange actually realised after taking account of forward exchange contracts, is recognised in profit or loss as a foreign currency gain or loss.

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Notes *continued*

for the year ended 31 March 2026



Notes to the financial statements *continued*

for the year ended 31 March 2026

Group		Association	
2026	2025	2026	2025
E'000	E'000	E'000	E'000

2. Revenue - disaggregation of revenue from contracts with customers

The group derives revenue from transfer of goods at a point in time in the following major product lines and channels

Revenue by product type comprises:

- Sugar sales
- Molasses sales

Revenue by channel comprises:

SACU market
Regional market
International market

7 856 398	7 463 049	7 856 398	7 463 049
228 034	243 847	228 034	243 847
8 084 431	7 706 896	8 084 431	7 706 896
6 423 157	5 877 181	6 423 157	5 877 181
670 448	167 639	670 448	167 639
990 826	1 662 076	990 826	1 662 076
8 084 431	7 706 896	8 084 431	7 706 896

Sugar is sold into the Southern African Customs Union ("SACU"), regional and international markets. Molasses is sold within the SACU market.

3. Operating profit before financing costs

Operating profit before financing costs is arrived at after charging the following:

Final distribution adjustment

Administration Expenses:

Auditor's remuneration
Depreciation
Lease expenses
Computer related
Payroll costs
Vehicle expenses
Cartage expenses
Contract management fees
Other expenses

126 606	504 293	126 606	504 293
1 168	1 070	1 168	1 070
23 136	24 640	6 890	8 371
1 720	1 000	1 720	1 000
9 841	4 738	9 841	4 738
48 674	52 920	48 674	52 920
3 627	5 399	3 627	5 399
2 824	2 646	2 824	2 646
19 898	18 765	19 898	18 765
28 937	7 487	42 764	21 485
139 825	118 665	137 406	116 394

Performance highlights	Reporting approach and accountability	Leadership messages	Organisational overview	Operating context	How we create value
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Notes *continued*

for the year ended 31 March 2026



Notes to the financial statements *continued*

for the year ended 31 March 2026

Group		Association	
2026	2025	2026	2025
E'000	E'000	E'000	E'000

4. Net finance costs, foreign exchange gain/(loss) and cost of sales

4.1 Interest expense from short-term and Long-term borrowings

Measured at amortised cost

Interest income on loans originated by the Association

Interest income from financial investments

Net finance costs

(335 359)	(298 953)	(335 359)	(298 953)
–	–	31 543	29 968
76	–	76	–
(335 283)	(298 953)	303 740	(268 985)

4.2 Foreign exchange gain/(loss)

Foreign exchange gain /(loss)

90 053	32 990	90 053	32 990
90 053	32 990	90 053	32 990

4.3 Cost of Sales

Cost incurred in operation of income

7 685 787	7 287 477	7 720 686	7 322 217
7 685 787	7 287 477	7 720 686	7 322 217

Performance highlights	Reporting approach and accountability	Leadership messages	Organisational overview	Operating context	How we create value
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Notes *continued*

for the year ended 31 March 2026



Notes to the financial statements *continued*

for the year ended 31 March 2026

Group		Association	
2026	2025	2026	2025
E'000	E'000	E'000	E'000

5. Property, plant and equipment

Allocation of depreciation

Direct cost of sales	40	570	40	570
Direct analysis of cane	189	210	189	210
Extension services	781	598	781	598
Administration	7 361	823	7 361	823
Operating expense	16 270	15 065	–	–
Total	24 641	17 266	8 371	2 201

Reconciliation of the opening and closing carrying amounts – 2025

Association

	Opening carrying amount E'000	Additions E'000	Disposals E'000	Transfer E'000	Depreciation E'000	Closing carrying amount E'000
Freehold land and buildings	1 646	160	–	–	(187)	1 619
Leasehold land and buildings	1	–	–	–	(1)	–
Plant and equipment	6 596	503	–	12 579	(6 757)	12 921
Furniture and fittings	867	9	–	–	(221)	655
Motor vehicles	3 512	490	(256)	–	(1 205)	2 541
Capital work in progress	10 182	9 147	–	(12 579)	–	6 750
	22 804	10 309	(256)	–	(8 371)	24 486

Performance highlights	Reporting approach and accountability	Leadership messages	Organisational overview	Operating context	How we create value
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Reconciliation of the opening and closing carrying amounts - 2026

	Opening Carrying Amount E'000	Additions E'000	Disposals E'000	Transfer E'000	Depreciation E'000	Closing Carrying Amount E'000
Freehold land and buildings	1 619	–	–	–	(95)	1 524
Leasehold land and buildings	–	–	–	–	–	–
Plant and equipment	12 921	639	(472)	–	(5 320)	7 767
Furniture and fittings	655	136	(96)	–	(87)	607
Motor vehicles	3 639	–	–	–	(1 316)	2 323
Conditioning silo buildings	26 125	–	–	–	(1 615)	24 510
Sugar store buildings	91 068	661	–	–	(3 768)	87 960
Conditioning silo equipment	8 709	192	–	–	(1 275)	7 626
Sugar store equipment	133 327	25 602	–	1 809	(9 199)	151 539
Molasses storage equipment	5 560	–	–	–	(462)	5 098
Capital work in progress	16 744	37 156	–	(8 517)	–	45 384
	300 367	64 386	(568)	(6 708)	(23 137)	334 339

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Reconciliation of the opening and closing carrying amounts - 2025

	Opening Carrying Amount E'000	Additions E'000	Disposals E'000	Transfer E'000	Depreciation E'000	Closing Carrying Amount E'000
Freehold land and buildings	1 646	160	–	–	(187)	1 619
Leasehold land and buildings	1	–	–	–	(1)	–
Plant and equipment	6 596	503	–	12 579	(6 757)	12 921
Furniture and fittings	867	9	–	–	(221)	655
Motor vehicles	4 700	490	(256)	–	(1 295)	3 639
Conditioning silo buildings	27 740	–	–	–	(1 615)	26 125
Sugar store buildings	94 827	–	–	–	(3 759)	91 068
Conditioning silo equipment	9 982	–	–	–	(1 273)	8 709
Sugar store equipment	127 068	15 328	–	–	(9 069)	133 327
Molasses storage equipment	6 022	–	–	–	(462)	5 560
Capital work in progress	11 992	17 331	–	(12 579)	–	16 744
	291 441	33 821	(256)	–	(24 639)	300 367

Notes *continued*

for the year ended 31 March 2026



Notes to the financial statements *continued*

for the year ended 31 March 2026

6. Long term liabilities

This note provides information about the contractual terms of the Group's interest-bearing loans and borrowings, which are measured at amortised cost. For more information about the Group's exposure to interest rate, foreign currency and liquidity risk, see note 22.

	Group		Association	
	2026 E'000	2025 E'000	2026 E'000	2025 E'000
Fixed term loan from: Public Service Pensions Fund	150 000	150 000	150 000	150 000
Eswatini Bank	–	17 442	–	17 442
Total non-current portion	150 000	167 442	150 000	167 442

The loan from PSPF will be repaid in full on 31 July 2029. Interest is negotiated on renewal and is linked to the prime lending rate.

The Swazi Bank loan is a mortgage loan repayable over 60 months. Interest rate is equal to the prime lending rate.

These loans are secured by a negative pledge over inventory and the trade receivable and a mortgage bond over sub-lease on portion 7 of farm No.161 in Lubombo, Eswatini.

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Abbreviations



AGM	Annual General Meeting
Cents/M³	Cents per Cubic Meter
COMESA	Common Market for Eastern and Southern Africa
CSI	Corporate Social Investment
DBRP	Dollar-Based Reference Price
DC	Direct Consumption
ECGA	Eswatini Cane Growers Association
EEC	Eswatini Electricity Company
ESA	Eswatini Sugar Association
ESG	Environmental, Social and Governance
ESMA	Eswatini Sugar Millers Association
ESSA	Eswatini Schools Sports Association
EU/UK	European Union/United Kingdom
EUDR	European Union Deforestation-free products Regulation
FC	Financial Capital
FOB	Free-On-Board
FSA	Farm Sustainability Assessment
GDP	Gross Domestic Product
GHG	Greenhouse Gas
GI	Glycemic Index
GLP-1	Glucagone-Like Peptide-1
HC	Human Capital
HR	Human Resource
IC	Intellectual Capital
IFRS	International Financial Reporting Standards
ISA	International Sugar Agreement
ISO	International Sugar Organization
IT	Information and Technology
KW	Kilowatt
LUSIP II	Lower Usuthu Smallholder Irrigation Project
MC	Manufactured Capital
MCP	Miller-Cum-Planters

MENA	Middle East and North Africa
MW	MegaWatts
NC	Natural Capital
PCR	Polymerase Chain Reaction
QMS	Quality Management System
R&D	Research and Development
RES	Royal Eswatini Sugar Corporation
RSP	Relative Sucrose Payment
SACU	Southern African Customs Union
SADC	Southern African Development Community
SASA	South African Sugar Association
SASRI	South African Sugarcane Research Institute
SLA	Service Level Agreement
SRC	Social and Relationship Capital
TCH	Tonnes of Cane per Hectare
TSH	Tonnes of Sucrose per Hectare
UNESWA	University of Eswatini
USA/US	United States America
USc/LB	United States Cents per Pound
USD	United States Dollar
USMCA	United States-Mexico-Canada Agreement
VHP	Very High Polarization



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