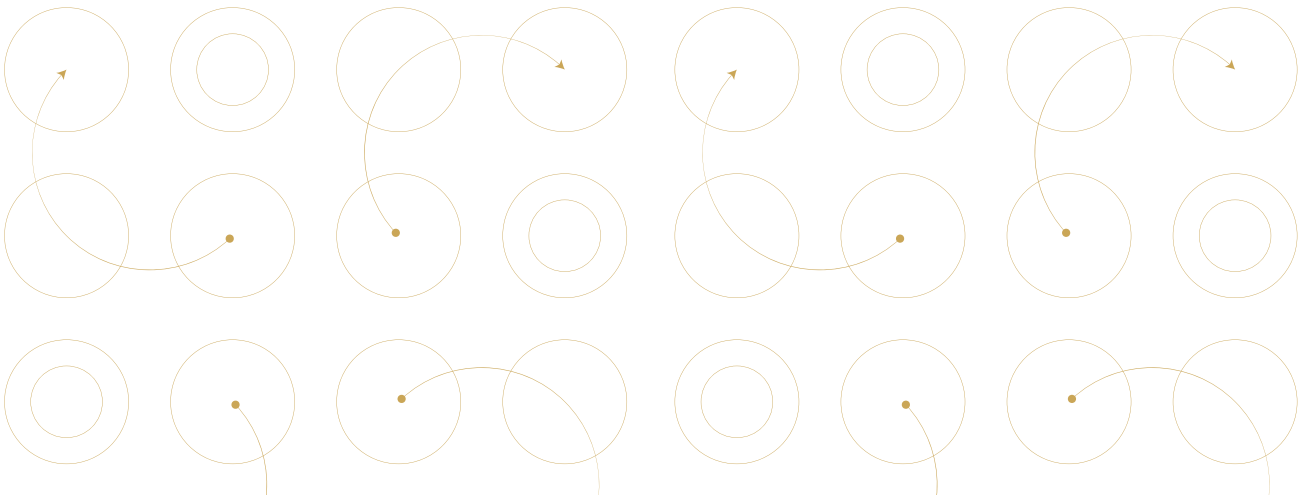
2025 ANNUAL REPORT

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Chairperson's report

South Africa annually produces approximately 764 000 t of beef, 250 000 t of pork, and between 150 000 and 180 000 t of sheep and goat meat. The vast majority of this meat is processed through 325 low- and high-throughput abattoirs. In 2025, South African abattoirs comprised 134 non-classifying abattoirs and 191 classifying abattoirs. In the classifying abattoirs, carcasses are inspected and classified according to age, gender, fat cover, conformation, and physical damage, and assessed for meat safety. This process plays a critical role in ensuring that quality meat is produced and distributed throughout wholesale and retail markets and, increasingly, to international export destinations.

For the past 28 years, SAMIC has been at the centre of this quality assurance process of coordinating carcass classification across the country. Beyond classification, SAMIC conducts independent audits of wool and mohair exports, live animal auctions, farms, as well as audits of brands and quality marks. These activities provide objective third-party verification and ensure strict compliance with global ethical and animal welfare standards. Together, these services give consumers in South Africa and abroad confidence that the meat and livestock products they purchase are authentic, safe, and of the quality claimed.

SAMIC takes great pride in its contribution to the red meat and livestock value chains in South Africa. It is for this reason that management has worked diligently to ensure that the organisation maintains the highest professional standards. SAMIC is accredited by the South African National Accreditation System (SANAS), is a corporate member of the Southern African Auditor and Training Certification Authority (SAATCA), and an associate member of the Southern African Association of Certification Bodies (SAACB). These endorsements demonstrate that SAMIC operates in accordance with internationally recognised standards for inspection, auditing, and certification, and that stakeholders can trust the integrity and professionalism of our services.

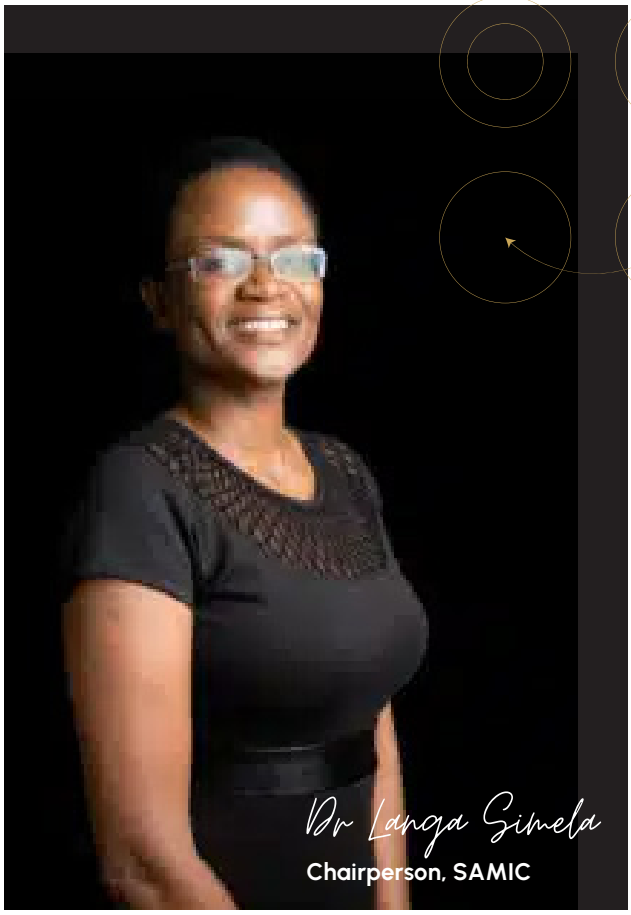
The regulatory environment in which we operate continues to evolve. Our commitment to the assigneeship entrusted to us by the Department of Agriculture (DoA) and the confidence that the red meat industry has placed in SAMIC as a reliable assurer of quality and compliance, remains constant.

To strengthen our service offering, we have made significant strategic investments during the year. Most notably, we acquired the facility that manufactures the ink used in carcass classification. This acquisition, along with our control over the roller marks, ensures that the essential tools required for classification remain under SAMIC's control, enabling consistency, quality assurance, and security of supply. SAMIC is leveraging this advantage by expanding training programmes across the region and supplying inks and roller marks to regional counterparts, thereby supporting greater equivalence and harmonisation of classification practices.

Within South Africa, our ambition is a simpler entry-level carcass assessment system aimed at smaller and rural abattoirs and butcheries. This initiative will help extend quality assurance principles and inclusivity broadly across the industry while encouraging compliance with minimum hygiene and product quality standards.

I congratulate our management team and staff for their dedication, resilience, and hard work during what has been a challenging 2025. It was particularly pleasing to see the team embracing SAMIC's refreshed identity with enthusiasm and pride. I also extend my sincere appreciation to my fellow directors for their continued commitment and guidance in ensuring the success of SAMIC.

Together, we remain committed to safeguarding confidence in South Africa's red meat and livestock industries and to building a future founded on quality, integrity, and trust.



Dr Langa Simela
Chairperson, SAMIC

SAMIC mandate and industry overview

The South African Meat Industry Company (SAMIC) is an independent and impartial third-party company established by the South African red meat industry following the disbandment of the former Meat Board in November 1997.

The marketing of meat in South Africa is regulated by the Agricultural Product Standards Act (119 of 1990), as amended. The DoA is responsible for administering the Act and the regulations published under Government Notice No. R.55 of 30 January 2015 (Regulation R55), which prescribe the classification and marking of meat and regulate the use of quality indications in the marketing of meat.

The Minister of Agriculture appointed SAMIC as an assignee under the Agricultural Product Standards Act to oversee implementation of sections 3(1)(a), 3(1)(b), 7, and 8 of the Act governing the classification and marking of meat intended for sale in the Republic of South Africa.

As a SANAS-accredited inspection body, No. INSP0036, operating in accordance with the requirements of ISO/IEC 17020:2012, SAMIC provides independent and impartial inspection and auditing services that verify compliance with the prescribed classification and marking requirements. This accreditation confirms SAMIC's technical competence to perform inspection activities within the scope of its accreditation and underscores its commitment to maintaining the highest standards of professionalism, integrity and impartiality.

Through its independent verification services and statutory mandate as an assignee, SAMIC promotes confidence, consistency and transparency in the South African red meat industry. Guided by a commitment to excellence and continual improvement, SAMIC remains dedicated to supporting fair trade, protecting consumers, and strengthening trust across the entire red meat value chain.

SAMIC board, leadership and team



Dr Langa Simela
CHAIRPERSON



Tom Westphal
EXECUTIVE DIRECTOR



Hamlet Hlomendlini
DIRECTOR



Prof. Esté van Marle-Köster
DIRECTOR



Neels Nell
QUALITY ASSURANCE MANAGER/ CONSULTANT



Simon Streicher
DIRECTOR



Hennie Gerber
CONSULTANT



Johan Maritz
NEW BUSINESS DEVELOPMENT



Mandla Nketane
CLASSIQUIP SUPERVISOR



Idah Mbuyane
QUALITY ADMINISTRATOR



Chris Ngeleza
QUALITY MANAGER, NOMINATED REPRESENTATIVE AND TECHNICAL MANAGER



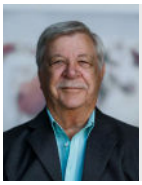
Natasha van Schoor
HIDES, SKINS, WOOL, AND MOHAIR MANAGER



Steve van Schoor
TRAINEE/TRAINEE AUDITOR



James Jeffries
INSPECTOR AUDITOR



Dirk Zandberg
TRAINEE/AUDITOR



Tiaan Ferreira
INSPECTOR AUDITOR LMP/GAU/NW



Selvan Odayan
INSPECTOR AUDITOR KZN/MPL/FS



Marco Coetzee
INSPECTOR AUDITOR NC/FS



Albertus du Toit

INSPECTOR AUDITOR NW/GAU/FS



Evan Gird

INSPECTOR AUDITOR WC



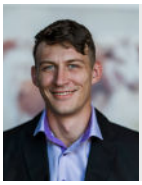
Patrick Neels

INSPECTOR AUDITOR NC



Wessel Jansen

INSPECTOR AUDITOR EC



Willie Venter

INSPECTOR AUDITOR MPL/GAU/LMP



Anthony Rahlabo

INSPECTOR AUDITOR FS/EC



Cynthia Mmela

ADMINISTRATOR TO THE EXECUTIVE TEAM



Sunette Niemand

SALES ASSISTANT



Shani Rosie Saaiman

TRAINEE INSPECTOR AUDITOR



Clinton Roy Cawood

WOOL AND MOHAIR INSPECTOR



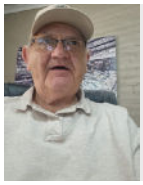
Nadia Young

WOOL AND MOHAIR INSPECTOR



Lerato Dingiswayo

WOOL AND MOHAIR INSPECTOR



Chris van Tonder

HIDES AND SKINS INSPECTOR



Engela van Vuuren

HIDES AND SKINS INSPECTOR



Phillipus de Bruyn

HIDES AND SKINS INSPECTOR



Juanita van Heerden

HIDES AND SKINS INSPECTOR



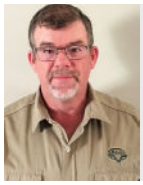
George Jeffries

RWS/RMS AUDITOR



Anton Botha

RWS/RMS AUDITOR



Wouter le Roux

RWS/RMS AUDITOR



Machiel Odendaal

RWS/RMS AUDITOR



Fanie Dippenaar

RWS/RMS AUDITOR



Steven Mugglestone

RWS/RMS AUDITOR



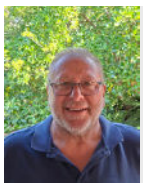
Kobus Groblaar

RWS/RMS AUDITOR



Mark Shires

RWS/RMS AUDITOR



Jan Louis Venter

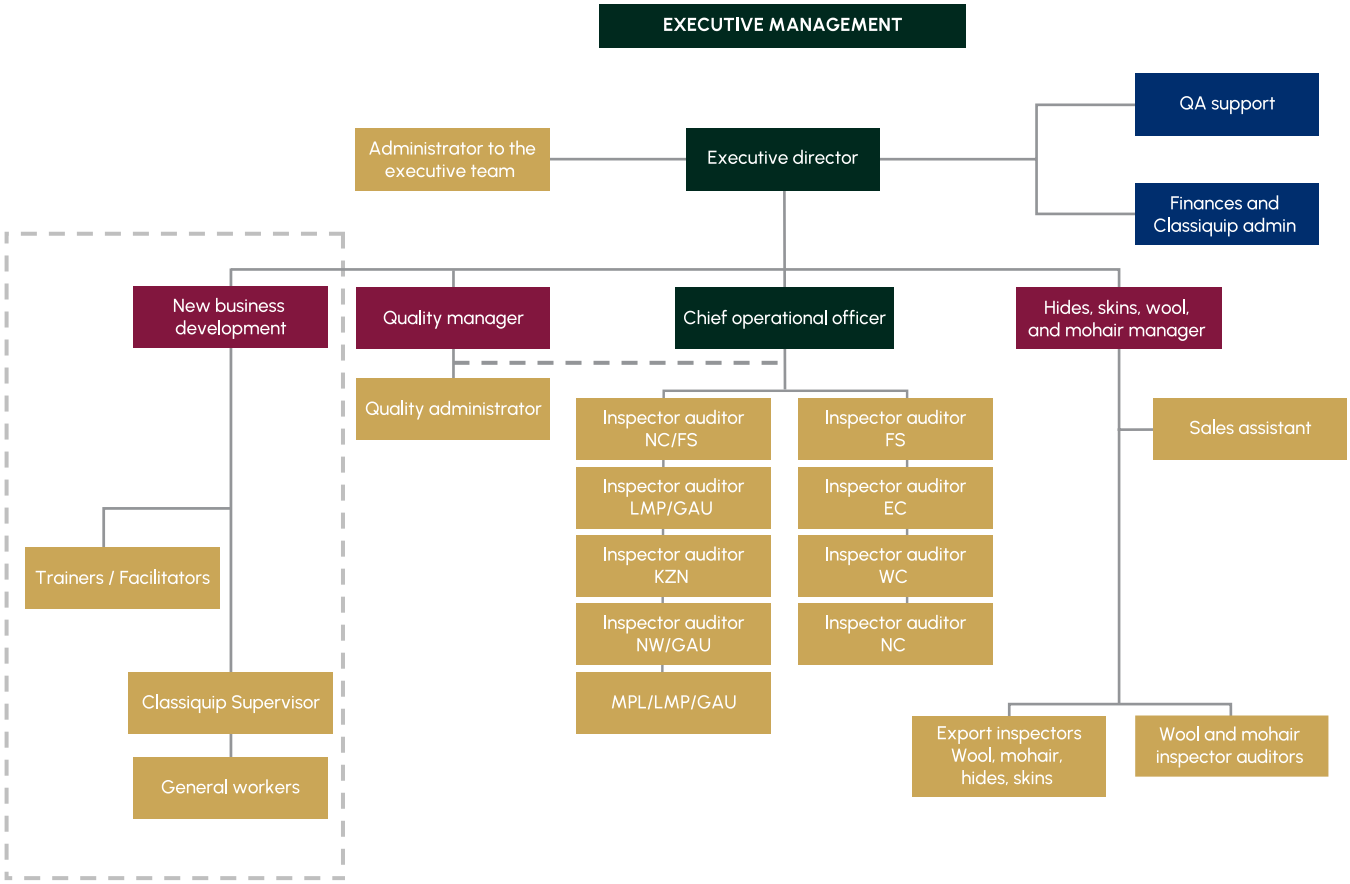
RWS/RMS AUDITOR



Hendrien Olivier

RWS/RMS AUDITOR

SAMIC organisational structure



- **Composition:** The board comprises a balanced mix of non-executive and executive directors with key expertise in the red meat industry but independent from the industry role players. Role of the board: The board acts as the ultimate custodian of governance, setting strategic direction, approving budgets, monitoring operational outcomes, and managing systemic risks.
- **Separation of roles:** The roles of the non-executive chairperson and the managing/executive director (Tom Westphal) are strictly segregated to guarantee objectivity and independent decision-making.

Formal corporate governance statement

The board of directors of SAMIC remains fully committed to the highest standards of governance, integrity, and accountability. As a state-appointed assignee under the Agricultural Product Standards Act (119 of 1990), the board ensures that SAMIC balances its regulatory enforcement mandates with its commitment to industry development and fiscal transparency. (Annexure A – Management statement)

Compliance and statutory mandates

- **Assignee status**
  The board oversees the execution of SAMIC's statutory mandate as assigned by the DoA regarding Agricultural Product Standards Act (119 of 1990), and Regulation R55, as amended, regarding the classification and marking of meat intended for sale in the Republic of South Africa.

- **Accreditation**
  SAMIC is a third-party inspection body accredited by the South African National Accreditation System (SANAS) under ISO/IEC 17020:2012. This accreditation affirms our competence, impartiality, and independence in performing inspection activities.

  All our auditors are registered with the Southern African Auditor and Training Certification Authority (SAATCA), ensuring adherence to professional standards.

  SAMIC is also an associate member of the Southern African Association of Certification Bodies (SAACB), underscoring our commitment to industry best practice.

- **Conflict of interest and risk oversight**
  Operational, business, and impartiality risks are continually assessed to ensure the independence and impartiality of SAMIC's functions and potential conflicts of interest are identified and managed on an ongoing basis.

  The board and personnel of SAMIC, as well as companies performing subcontracted functions on behalf of SAMIC, sign declarations of confidentiality and impartiality annually.

Executive summary

2025 was a year of significant achievement and continued development for SAMIC. The organisation strengthened the execution of its regulatory mandate, expanded its industry engagement, improved compliance and quality standards, and has made substantial progress in transforming the organisation for the future. The year also marked important milestones in SAMIC's strategy of continuous improvement, innovation and enhanced service delivery.

Strengthening regulatory oversight

SAMIC continued to provide effective oversight of meat classification, marking and related regulatory requirements across the South African meat value chain. Thousands of inspections and audits were conducted at abattoirs, farms, feedlots, processors, meat traders, auctions, export facilities, and other designated operations.

A key achievement was the measurable improvement in compliance performance during the year. By December 2025, all participating abattoirs had been audited by SAMIC inspectors according to our mandate of coordination visits checking classification standards, with a deviation rate of only 12,5%, an improvement on the 15–20% average recorded during the preceding six months. Meat-trader compliance similarly strengthened, with only 1% deviations recorded. Importantly, SAMIC's approach remained focused not only on identifying deviations, but on ensuring that legitimate deviations were corrected.

Participation in the meat classification system also continued to develop and ended with 191 of the 325 total abattoirs participating. National evaluation and calibration exercises further supported consistency in classification practices, with the overall classification standard assessed as high and no classification disputes reported during the evaluation process.

Improving meat quality and marking of carcasses

A major operational achievement in 2025 was the sustained improvement in carcass marking quality and legibility. SAMIC introduced a focused corrective-action programme covering ink quality, carcass preparation, training, reporting, and monitoring. The improved ink formulation introduced earlier in the year demonstrated successful abattoir trials, while visible improvements in roller marking quality were subsequently recorded.

SAMIC also continued to protect the integrity of quality indication marks (QIM) through systematic audits covering farms, abattoirs, deboning plants and meat traders. The programme encompassed approximately 30 different QIM specifications, with non-compliances identified and corrective action implemented where required.

Supporting biosecurity and industry standards

SAMIC strengthened its contribution to industry biosecurity through expanded auction compliance inspections conducted in partnership with the Agricultural Produce Agents Council (APAC). During the year, SAMIC also implemented a reviewed biosecurity protocol and equipped its auditors with dedicated biosecurity kits to support safe and effective inspections across facilities.

The organisation further increased its engagement with emerging and rural abattoirs, investigating practical ways to improve standards, efficiency and operational performance. The initiative focuses on developing simple, affordable and understandable minimum standards supported by coaching and training, with the objective of enabling these facilities to improve both meat quality and commercial efficiency.

Promoting excellence through national carcass competitions

The SAMIC national carcass competition programme continued to grow as an important platform for producer development, recognition and industry engagement. More than 50 regional and individual competitions were conducted across all nine provinces during the annual cycle, covering all four species and both commercial and emerging farmer categories.

The national finale, held on 18 September 2025, successfully brought together producers, industry organisations, government representatives, dignitaries, media and other stakeholders. Twenty-two winners and runners-up were recognised for excellence in animal production and carcass quality. The event also reinforced SAMIC's focus on the relationship between classification, quality and the consumer eating experience.

Accelerating digital transformation

One of SAMIC's most significant strategic achievements in 2025 was the substantial progress made in its digitalisation programme. Following the appointment of a digital service provider and the establishment of a comprehensive implementation plan, the project progressed steadily throughout the year and reached 49% completion by November, on time and on budget.

The foundations of iSAMIC Mobile were established, including cloud infrastructure, databases, business requirements, and a clickable audit-builder prototype. The new digital platform is designed to enable mobile inspections, real-time reporting, automated information flows and critical alerts, fundamentally improving the speed, accessibility and usefulness of SAMIC's audit information. Full digital implementation is targeted for 2026.

Investing in SAMIC's future

The year 2025 also marked an important phase of organisational renewal. SAMIC launched its new corporate identity, representing the first step in implementing its updated strategy and continuous-improvement direction. The organisation relocated to new functional premises in Faerie Glen, incorporating a purpose-designed sensory kitchen aligned with industry and research standards. The facility also provides for the relocation and improved quality-control management of SAMIC's meat-marking ink-mixing operation.

SAMIC operations report

Classification coordination and abattoir oversight

SAMIC supports the abattoir sector through independent inspections, verification and the collection of reliable slaughter information across the meat value chain. SAMIC services extend to a total of 191 classifying and 134 non-classifying abattoirs. Through this national inspection and information-gathering network, SAMIC contributes to consistent standards, reliable industry statistics, regulatory compliance and the integrity of meat production and trade. Figure 1 indicates the abattoirs across the country participating in classification.

Figure 2 below indicates the abattoirs across the country not participating in Classification. These account for 41% of abattoir numbers and 2% of slaughter

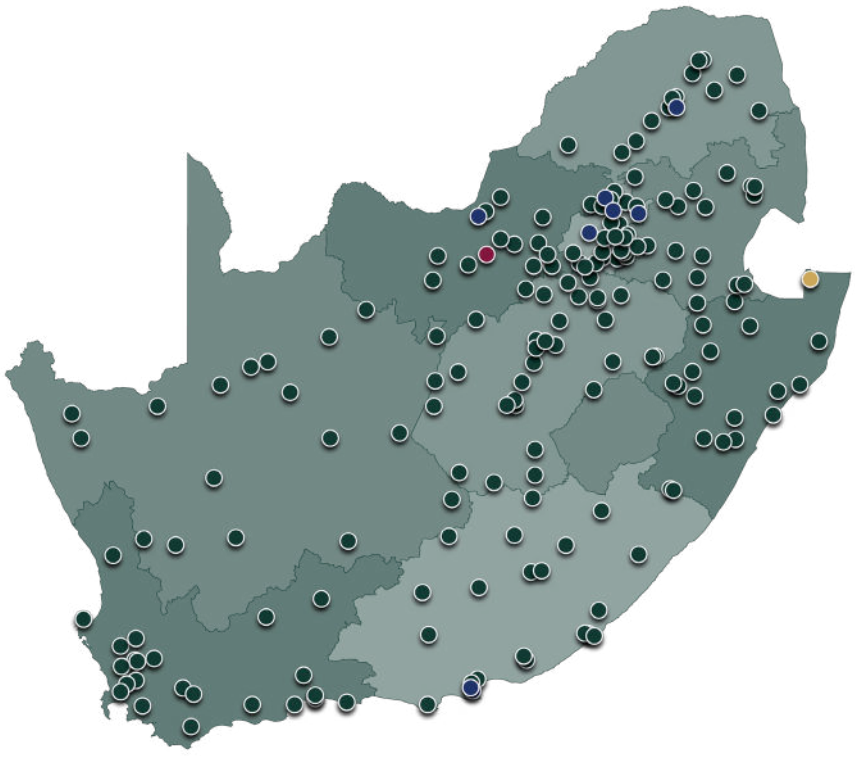


Figure 1 Classification abattoirs in South Africa

volumes. These include low-throughput and rural abattoirs, and are visited by SAMIC inspectors every two and three months to collect slaughter statistics, respectively, depending on the species being slaughtered.

Abattoirs by province

Limpopo: 42
Eastern Cape: 34
North West: 21
Free State: 9
KwaZulu-Natal: 9
Northern Cape: 8
Mpumalanga: 6
Gauteng: 5

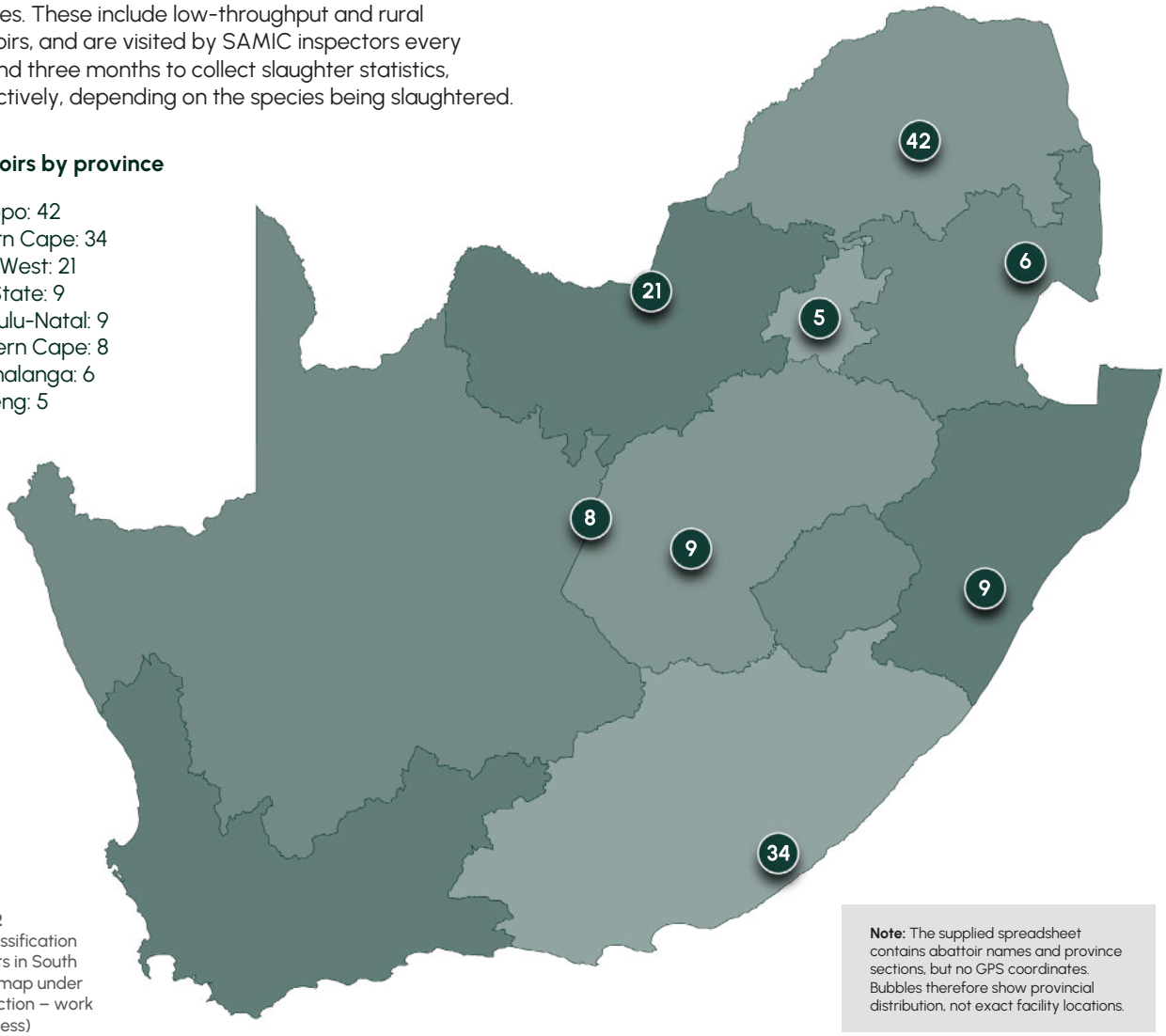


Figure 2
Non-classification abattoirs in South Africa (map under construction – work in progress)

Note: The supplied spreadsheet contains abattoir names and province sections, but no GPS coordinates. Bubbles therefore show provincial distribution, not exact facility locations.

Table 1 summarises the number of abattoirs allocated to each inspection auditor, by region.

Table 1 Abattoirs per SAMIC inspection auditor, by region

Region	Inspection auditor	Classifying abattoirs	Non-classifying abattoirs
Eastern Cape	Wessel Jansen	21	31
Western Cape	Evan Gird	21	15
Northern Cape	Marco Coetzee	8	2
Northern Cape	Patrick Neels	18	5
Mpumalanga	Willie Venter	24	37
North West	Albertus du Toit	27	14
KwaZulu-Natal	Selvan Odayan	24	11
Free State	Anthony Rahlabo	22	6
Limpopo/Gauteng/North West	Tiaan Ferreira	26	13
TOTAL		**191**	**134**

Coordination visits at abattoirs

In 2025, SAMIC had 191 registered classifying abattoirs within the meat classification system. Based on the planned audit frequency of 10 visits per abattoir per year, the annual planned workload was more than 1 910 visits.

The higher-than-planned number of visits was because of some abattoirs that were operating at the beginning of 2025 and closed during the year.

A total of 306 deviations were recorded, representing approximately 15,8% of all visits.

The deviations identified were categorised as follows:

- Two hundred and sixty-two (262) deviations related to fat, conformation, and damage classification, accounting for most deviations recorded.
- Fifteen (15) deviations related to incorrect measurement positions for pork classification, indicating a need for improved adherence to the prescribed measurement procedures.
- Seven (7) deviations related to untidy or smudged roller marking, indicating shortcomings in the application and presentation of classification marks.
- One (1) serious compliance incident resulted in a directive being issued to a classifier following an allegation of accepting a bribe to alter an age classification. This matter was treated as a serious breach of the classification system's integrity and requirements.

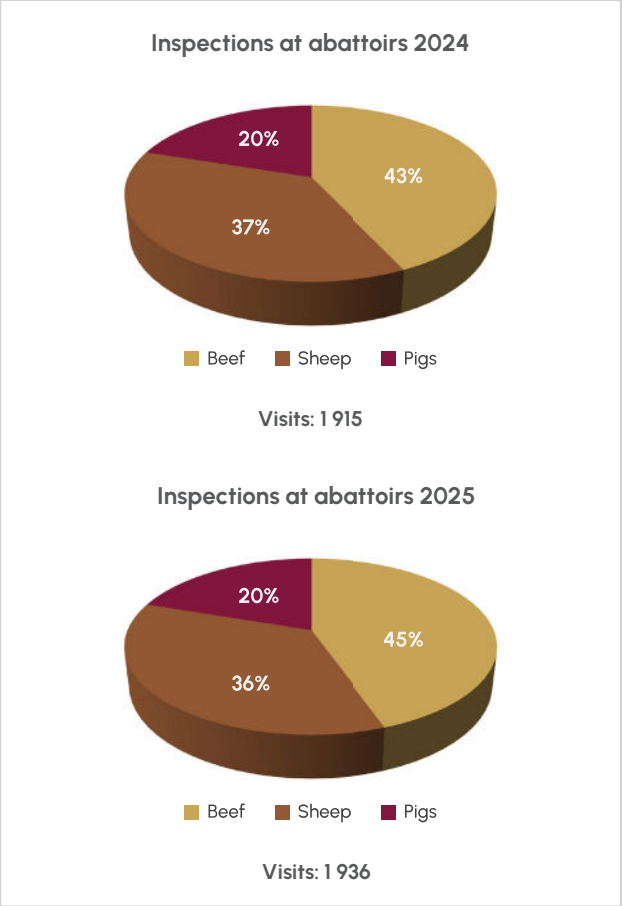


Figure 3 Slaughter by species

Overall, the deviation rate indicates that the major area requiring continued attention is the accuracy and consistency of fat, conformation and damage classification. The findings also highlight the importance of ongoing classifier monitoring, refresher training and enforcement of classification procedures to maintain the integrity and credibility of the meat classification system.

The bribery-related incident is considered a significant governance and integrity matter and reinforces the need for continued oversight, ethical compliance and appropriate disciplinary measures where breaches of the classification system are identified.

Figure 3 indicates the split between species slaughtered.

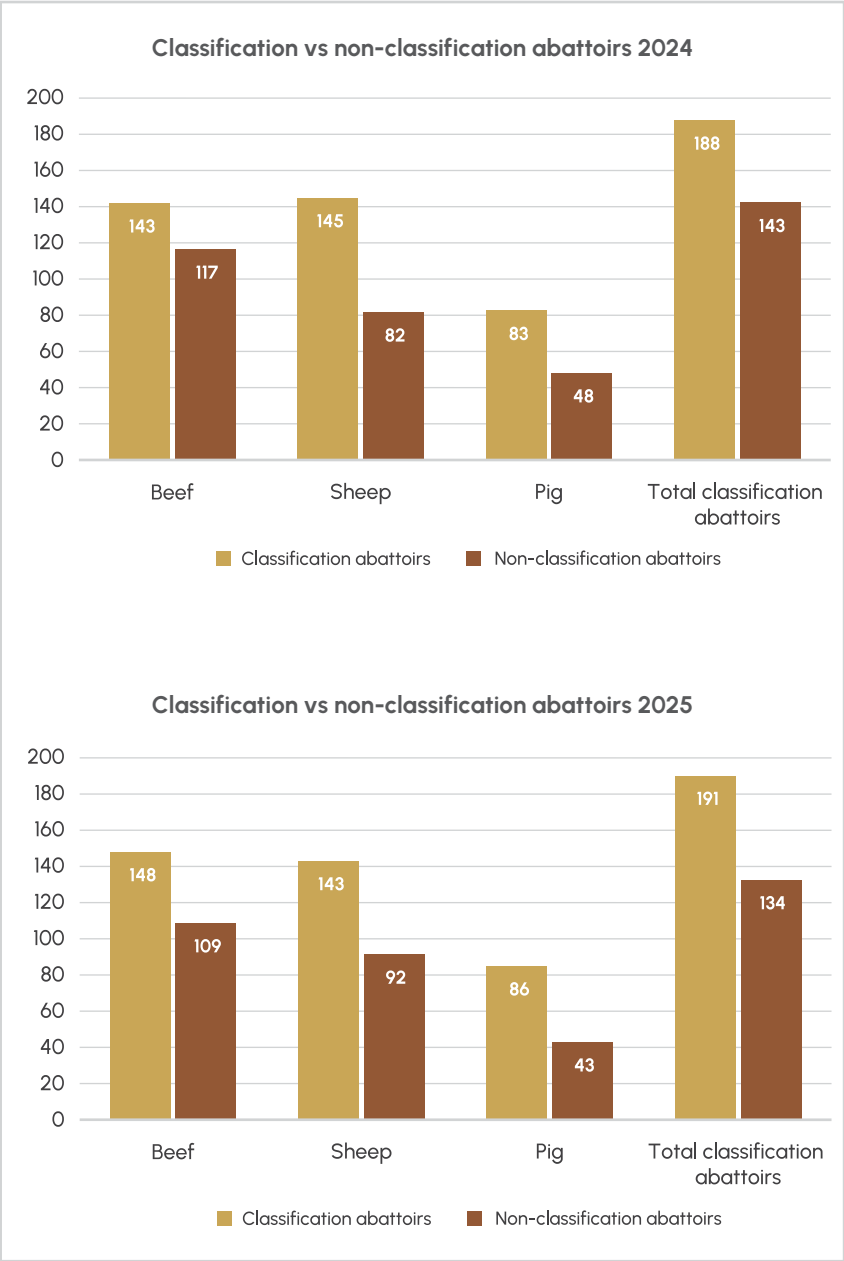


Figure 4 Classification vs non-classification abattoirs

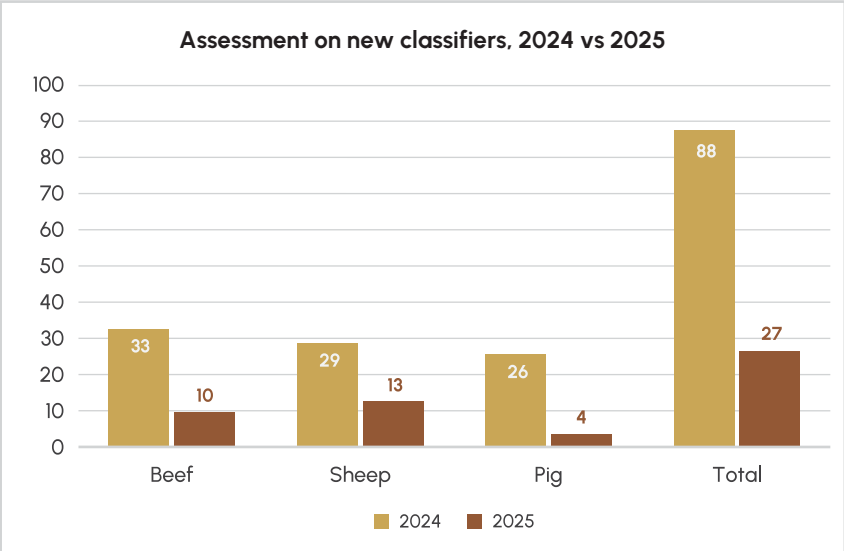


Figure 5 Year-on-year assessment of classifiers per species

Classification vs non-classification abattoirs

In 2025, there was a slight increase in the number of abattoirs participating in the meat classification system. This increase was mainly attributable to several abattoirs that had previously not participated in the classification system choosing to participate during the year.

The increase indicates a positive uptake of the voluntary meat classification system and reflects continued industry interest in the benefits of classification and independent oversight.

In Figure 4, the number of classifications performed per species for classified vs non -classified abattoirs are shown.

Classifier assessments

Meat classification assessments decreased during 2025, primarily due to the postponement of the National Rural Youth Service Corps (NARYSEC)/Tsolo Agriculture and Rural Development Institute (TARDI)/ International Meat Quality Assurance Services (IMQAS) student programme. This resulted in fewer assessment opportunities and a corresponding reduction in the overall number of assessments conducted during 2025.

Table 2 Assessmentt of classifiers per species

Assesment of new classifiers	2024	2025
Beef	33	10
Sheep	29	13
Pig	26	4
Total	**88**	**27**
Refresher assessments	**272**	**221**

Trade compliance

SAMIC provides an independent assurance and inspection function across the meat value chain, supporting meat traders and protecting the integrity of quality, geographical, and product claims in the market on primal meat cuts and carcasses. SAMIC independently audits quality indication (QI) and geographical indication (GI) registered with the DoA, conducting inspections across the full supply chain – from farms and feedlots through to abattoirs, deboning plants, wholesalers, retailers and restaurants. This involves inspections over approximately 30 registered QI and GI schemes. In addition, SAMIC conducts independent inspections of meat traders, including butcheries, wholesalers, and retailers. Through these activities, SAMIC provides independent verification, promotes compliance and traceability, and contributes to consumer confidence and fair trading within the South African meat industry.

From a compliance perspective, the 11,8% reduction in non-conformances is an improvement. The non-conformance rate also improved, indicating a positive trend in compliance at trade outlets, with fewer non-conformances identified despite broadly comparable audit coverage.

Table 3 Trade visits non-conformance details year on year

Trade visits	2024	2025
Inspections planned	2 648	2 600
Completed	**2 651**	**2 577**
Visit completion % (2024)	**100%**	**99%**
Deviation %	**3,2%**	**2,9%**
Total deviations	**85**	**75**
Incorrect labelling and claims	33	20
Mutton incorrectly sold as lamb	17	12
Smudged or incorrect roller and ink marks	6	10
Imported meat not identified	4	11
Incorrect classification	5	5
Other	20	17

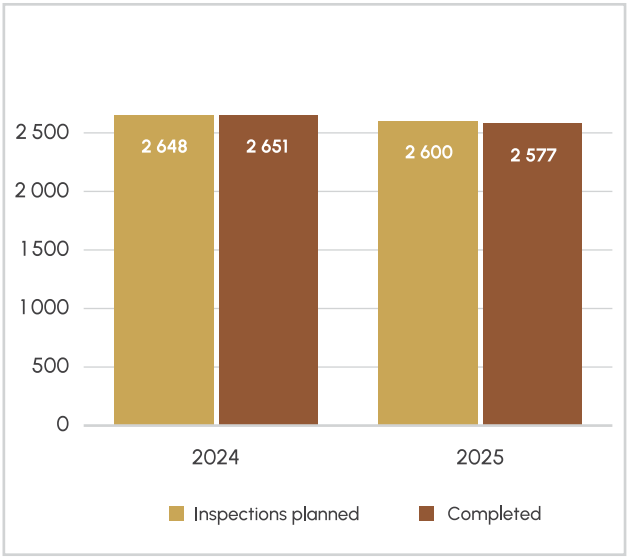


Figure 6 Trade visits by SAMIC planned vs actual

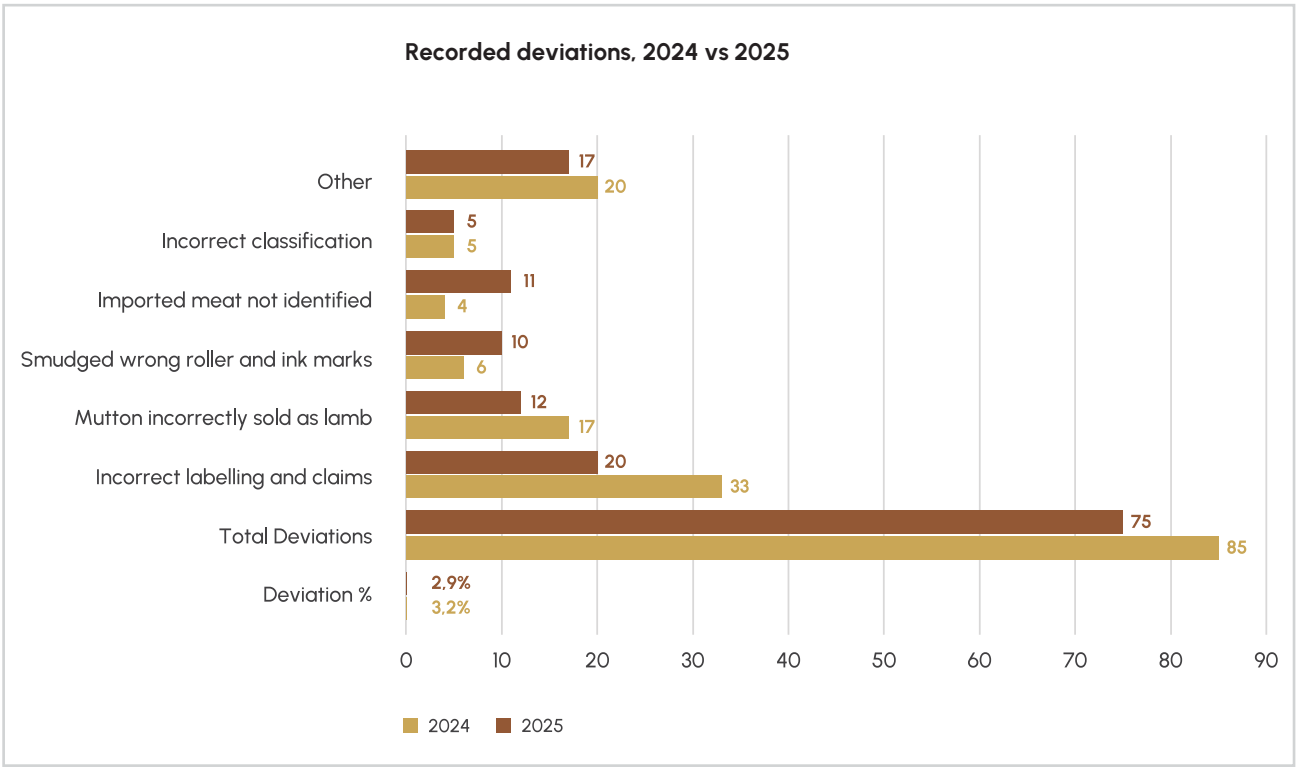


Figure 7 Trade visits deviations

National carcass competitions

Pork carcass competition decreased during 2025, largely because of the significant impact of African swine fever (ASF) and foot-and-mouth disease outbreaks on the pork industry.

These outbreaks placed considerable pressure on pork producers, particularly emerging farmers with a few smaller and emerging operations being forced to close. The reduction in the number of active producers directly affected participation in pork carcass competitions and contributed to the overall decline in activities during the year.

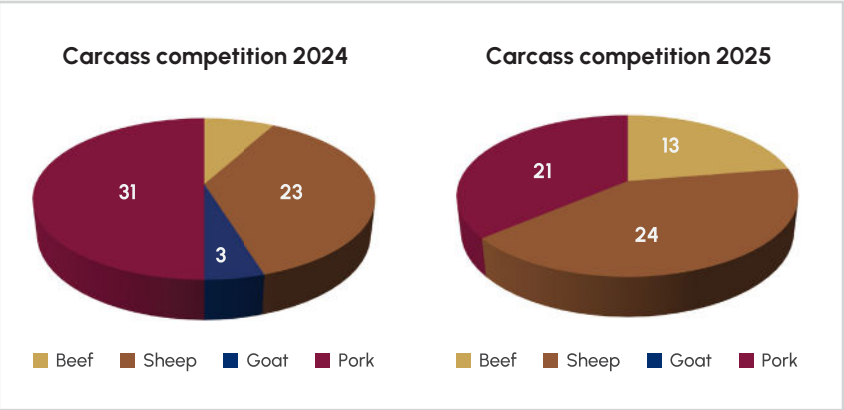


Figure 8 Carcass competition split year on year

Quality indicator audits

In 2024, SAMIC conducted 2 478 QI audits across the value chain, covering farms, feedlots, abattoirs, deboning plants and trade outlets. These audits resulted in 68 non-conformances, representing a non-conformance rate of approximately 2,7%.

In 2025, audit activity increased to 2 702 QI audits, representing a 9,0% increase in audit coverage compared with 2024. Despite the increased audit activity, the number of recorded non-conformances decreased from 68 to 51, a reduction of approximately 25%.

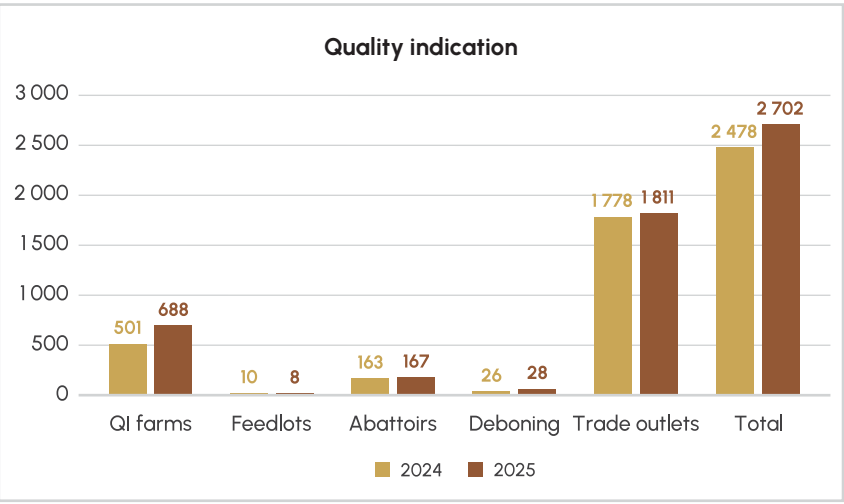


Figure 9 Quality Indication value chain assessment audits

The non-conformance rate consequently improved from 2,7% in 2024 to 1,9% in 2025. This represents an improvement of approximately 0,8 percentage points, or a 30% reduction in the non-conformance rate.

Overall, the results are positive, as SAMIC achieved greater audit coverage while identifying fewer non-conformances. This suggests an improvement in compliance levels across the audited value chain and demonstrates the effectiveness of continued monitoring and verification activities.

Hides, skins, wool, and mohair

Numbers of South African greasy wool containers inspected for export in 2025 on par with 2024 export numbers. The average wool price rose by up to 40% from the 2024 season to the first auction of the 2026/2027 season in August 2026.

Hides and skins containers inspected for export in 2025 decreased by 8% from 2024. The decrease in container numbers can be linked to the various foot-and-mouth disease outbreaks experienced in South Africa.

Table 4 Detail of hides, skins, wool, and mohair inspections

Overview of hides, skins, wool, and mohair	2024	2025
RWS/RMS audits requested	1 387	1 372
RWS/RMS audits completed	**1 387**	**1 372**
Audit completion %	**100%**	**100%**
Nativa audits requested	1 186	1 093
Nativa audits completed	**1 186**	**1 093**

Overview of hides, skins, wool, and mohair	2024	2025
Audit completion %	**100%**	**100%**
SVD audits requested	874	698
SVD audits completed	**874**	**698**
Audit completion %	**100%**	**100%**
Sustainable Cape Wools Standard audits (third party) requested	38	60
Sustainable Cape Wools Standard audits (third party) completed	**38**	**67**
Audit completion %	**100%**	**112%**
South African greasy wool exported containers inspected requested	1 317	1 314
South African greasy wool exported containers inspected completed	**1 317**	**1 314**
Audit completion %	**100%**	**100%**
Lesotho greasy wool exported containers inspected requested	139	185
Lesotho greasy wool exported containers inspected completed	**139**	**185**
Audit completion %	**100%**	**100%**
Lesotho wool imported wool consignments inspected requested	190	384
Lesotho wool imported wool consignments inspected completed	**190**	**384**
Audit completion %	**100%**	**100%**
Lesotho mohair imported mohair consignments inspected requested	25	78
Lesotho mohair imported mohair consignments inspected completed	**25**	**78**
Audit completion %	**100%**	**100%**
Hides and skins containers inspected requested	1 909	1 775
Hides and skins containers inspected completed	**1 909**	**1 775**
Audit completion %	**100%**	**100%**

Auctions

Auction audits were conducted on a request basis by auctioneers. During 2024, the programme experienced a relatively slow start, with limited uptake from participating in biosecurity audits at auctions. However, 2025 saw a significant increase in industry interest, with the number of auction audits approximately doubling compared with 2024.

This increase reflects growing awareness of the need for biosecurity and animal health controls at livestock auctions. SAMIC and APAC continue to discuss and negotiate the introduction of compulsory biosecurity audits at all active livestock auctions in 2026. The initiative is expected to strengthen biosecurity controls across the industry and support a more consistent approach to risk management at auction facilities.

Most non-conformances identified during the 2025 audits related to incomplete health attestations. This indicates that documentation and verification of animal health status remain key areas requiring attention and continued industry education.

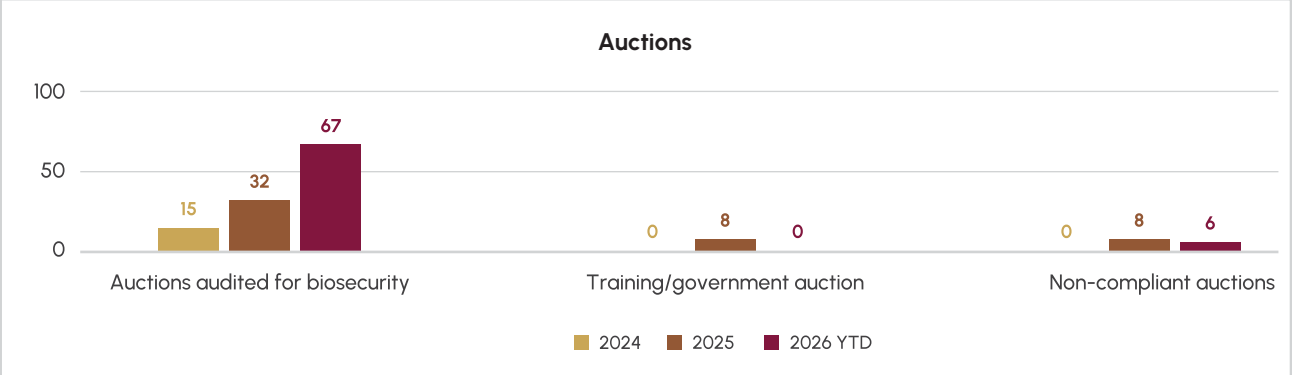


Figure 10 Auction audits by SAMIC showing significant increase in biosecurity awareness

Botswana, Lesotho, Namibia, and Eswatini (formerly Swaziland); BLNS audits

2024 audit results:

- Sixty-three (63) contracts were active, covering abattoirs and feedlots.
- Seven hundred and forty-eight (748) audits were conducted.
- Twenty-eight (28) non-conformances were recorded, mainly due to incomplete documentation.

2025 audit results and contributing factors:

- Fifty-three (53) contracts were active, covering abattoirs and feedlots.
- Six hundred and thirty-four (634) audits were conducted.
- Forty-six (46) non-conformances were recorded, mainly due to incomplete documentation.

The reduction in contracts was mainly due to border closures linked to foot-and-mouth disease outbreaks and the spread of the disease.

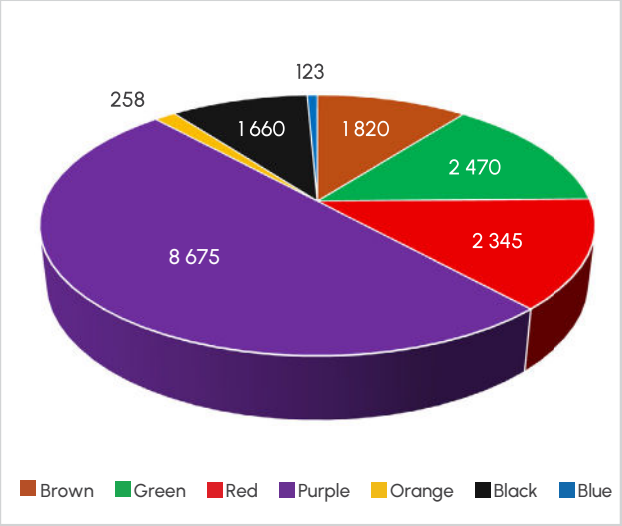


Figure 11 ClassiQuip and meat industry carcass marking ink consumption by colour

ClassiQuip manufacturing and operations

ClassiQuip, a division of SAMIC, is regulated as the industry supplier for all classification equipment in the red meat industry. These include stamps as well as roller-marking equipment and edible ink for the marking of carcasses.

All inks are manufactured from food grade ingredients that conform to the Foodstuffs, Cosmetics and Disinfectants Act (54 of 1972). Formulation stability is ensured with the verification of the raw materials, and each batch is mixed according to a standard recipe. The ink is supplied in 5 L containers, and each container is clearly marked with a batch number and best before date. In 2025, 17 351 L were sold.

ClassiQuip controls the manufacture of ink, to ensure consistency of the ink and ensure continuality in the manufacturing of the ink. The ClassiQuip facility upgrade was initiated and progressed on schedule as at the end of 2025. Ink sales and correlation tags make up the majority of ClassiQuip work and support to the industry.

Financial model

As a Companies and Intellectual Property Commission (CIPC-) -registered non-profit company (NPC), SAMIC operates on a cross-subsidisation financial model designed to support the sustainability of all its industry services while maintaining the organisation's non-profit mandate.

SAMIC's operations are structured around five business centres, each serving a specific function within the red meat industry:

This cross-subsidisation allows SAMIC to maintain these essential industry services without requiring each individual business centre to recover its full operating costs independently. It also helps to moderate the year-on-year increases in fees and charges to industry participants, providing greater stability and predictability.

The model therefore balances financial sustainability with SAMIC's broader industry mandate.

As an NPC registered with the Companies and Intellectual Property Commission (CIPC), SAMIC is required to maintain appropriate financial governance and reporting in accordance with the Companies Act (71 of 2008), together with the applicable requirements for non-profit companies. The financial model is consequently structured to ensure that revenues are used to sustain SAMIC's activities and further its organisational and industry objectives, rather than being distributed as profits to members or shareholders.

Looking ahead

SAMIC enters 2026 with a stronger operational, technological and organisational platform. The progress achieved during 2025 provides a solid foundation for the next phase of the organisation's development, with continued focus on regulatory excellence, digitalisation, science-based innovation, consumer outcomes, industry support and continuous improvement.

The achievements of 2025 demonstrate an organisation that is not standing still. SAMIC is strengthening its mandate, modernising its operations, improving its services and building the capabilities required to remain relevant and effective for the South African meat industry and its consumers.

ANNEXURE A

Management statement

MCSCQA 171
Modified: 2026/08/04

Management Statement

Vision

At SAMIC we are committed to ensuring the highest standards and quality of red meat and derivative products, providing producers, relevant stakeholders, and consumers with peace of mind, knowing that their choices are backed by rigorous standards, impartial and independent verification.

Mission

SAMIC is an accredited inspection body created by the red meat industry, assigned by the Department of Agriculture (DoA), that provides unbiased inspection and auditing services to ensure the classification and marking of meat is performed for the benefit of the South African red meat value chain.

Management System and Commitment

SAMIC is committed to implementing, maintaining, and continually improving its management system in accordance with the applicable requirements of the South African National Accreditation System (SANAS), ISO/IEC 17020, and the Department of Agriculture (DOA) Regulation R55. Top management is also committed to the effective implementation of SAMIC's published management system policies and to ensuring the availability of adequate resources to meet contractual, statutory, regulatory, and operational requirements, thereby maintaining the effectiveness of the management system.

SAMIC's management system has been established in accordance with the requirements of SANAS and ISO/IEC 17020 to enable the organisation to fulfil its obligations as an Assignee appointed by the Minister of Agriculture for the purpose of the application of sections 3(1)(a), 3(1)(b), 7 and 8 of the Agricultural Product Standards Act, 1990 (Act No. 119 of 1990), with regard to the classification and marking of meat intended for sale in the Republic of South Africa.

SAMIC has established and published management system policies, and members of management are responsible for establishing objectives relevant to their respective areas of responsibility. Top management ensures that these policies and objectives are communicated, understood, implemented, and maintained throughout the organisation. The management system is reviewed at planned intervals to ensure its continuing suitability, adequacy, and effectiveness, and to identify opportunities for continual improvement. Through the effective implementation and continual improvement of its management system, SAMIC maintains its SANAS accreditation as Inspection Body No. INSP0036, thereby demonstrating its competence to perform inspection activities within the scope of its accreditation.

Impartiality and Independence

SAMIC recognises the importance of impartiality, independence, and the need to identify and manage actual or potential conflicts of interest in the performance of its inspection and auditing activities. Impartiality and objectivity are fundamental to delivering consistent, reliable, and credible inspection and auditing services. SAMIC safeguards impartiality through legally binding contractual arrangements and accepts responsibility for the impartiality of its inspection and auditing activities. Commercial, financial, or other pressures are not permitted to compromise impartiality. Risks to impartiality are identified, assessed, and managed on an ongoing basis through established policies, procedures, and appropriate controls.

Confidentiality

SAMIC is committed to maintaining the confidentiality of all information obtained or created during the performance of its inspection and auditing activities. SAMIC protects all information obtained or created during its inspection and auditing activities through legally enforceable commitments and appropriate controls.

Prior approval shall be obtained from the Department of Agriculture (DoA) or the relevant Quality Indication owner before any information relating to assigned activities is made publicly available. Information that is publicly available through the Department of Agriculture or the relevant Quality Indication owner, or information whose disclosure has been authorised by the information owner, is not regarded as confidential. All other information is considered proprietary and is treated as confidential.

All aspects of inspection and auditing activities are treated as confidential. Information obtained during inspection and auditing activities shall not be disclosed to any party other than the inspected entity, SANAS, or the Department of Agriculture, except with the inspected entity's prior written consent or where disclosure is required by law. In fulfilling its statutory responsibilities, SAMIC may be required to disclose confidential information to SANAS and the Department of Agriculture without such consent.

South African Meat Industry Company NPC

Abbreviated financial statements for the year ended 31 December 2025

Statement of financial position as at 31 December 2025

Figures in rand	2025	2024
Assets		
Non-current assets		
Property, plant, and equipment	976,317	113,736
Goodwill	186,849	-
Intangible assets	4,442,000	-
Other financial assets	28,185,142	27,930,581
Prepayments	309,370	337,488
	34,099,678	28,381,805
Current assets		
Inventories	909,172	557,768
Trade and other receivables	3,449,271	2,780,196
Current tax assets	-	26,843
Cash and cash equivalents	1,746,500	4,720,057
	6,104,943	8,084,864
Total assets	**40,204,621**	**36,466,669**
Equity and liabilities		
equity		
Accumulated surplus	36,930,923	34,032,069
Liabilities		
Non-current liabilities		
Deferred tax liabilities	1,827,090	1,339,545
	1,827,090	1,339,545
Current liabilities		
Trade and other payables	854,382	595,393
Current tax payable	125,100	-
Provisions	467,123	499,662
	1,446,605	1,095,055
Total liabilities	**3,273,695**	**2,434,600**
Total equity and liabilities	**40,204,618**	**36,466,669**

South African Meat Industry Company NPC

Abbreviated financial statements for the year ended 31 December 2025

Statement of comprehensive income

Figures in rand	Notes	2025	2024
Revenue		35,690,942	33,127,229
Cost of sales		(2,809,543)	(2,676,063)
Gross surplus		**32,881,399**	**30,451,166**
Other income		3,400,323	867,018
Operating expenses		(33,917,445)	(31,141,713)
Other gains and (losses)		-	2,044,000
Surplus / (deficit) from operating activities	**2**	**2,364,277**	**2,220,471**
Finance income	**3**	1,431,478	1,701,434
Finance costs		(2,364)	(862)
Surplus / (deficit) before tax		**3,793,391**	**3,921,043**
Taxation	**4**	(894,537)	(927,988)
Surplus / (deficit) for the year		**2,898,854**	**2,993,055**

Statement of changes in equity

Figures in rand	Accumulated surplus	Total equity
Balance at 1 January 2024	**31,039,014**	**31,039,014**
Surplus for the year	2,993,055	2,993,055
Balance at 1 January 2025	**34,032,069**	**34,032,069**
Surplus for the year	2,898,854	2,898,854
Balance at 31 December 2025	**36,930,923**	**36,930,923**

Statement of cash flows

Figures in rand	2025	2024
Cash flows from operating activities		
Net cash flows from/(utilised in) operations	(313,482)	(765,229)
Interest received	151,430	392,619
Interest paid	(2,364)	(862)
Income taxes paid	(255,051)	(370,115)
Net cash flows from/(utilised in) operating activities	**(419,467)**	**(743,587)**
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,086,000)	(29,298)
Purchase of intangible assets	(4,442,351)	-
Net movement in other financial assets	1,894,213	(1,320,583)
Net cash (paid) received on goodwill	(200,000)	-
Proceeds from disposal of other financial assets	-	155,313
Interest income	130,859	89,253
Dividends received	1,149,189	1,217,968
Cash flow from investing activities	**(2,554,090)**	**112,653**
Net increase/(decrease) in cash and cash equivalents	**(2,973,557)**	**(630,934)**
Cash at the beginning of the year	4,720,057	5,350,991
Cash and cash equivalents at the end of the year	**1,746,500**	**4,720,057**

South African Meat Industry Company NPC

Abbreviated financial statements for the year ended 31 December 2025

Accounting policies

1. Presentation of abbreviated financial statements

The abbreviated financial statements are extracted from the complete audited financial statements. The complete financial statements have been prepared in accordance with the International Financial Reporting Standards for Small and Medium-sized Entities, and the Companies Act (71 of 2008). The complete audited financial statements are available at the office of the South African Meat Industry Company NPC. The abbreviated financial statements have been prepared on the historical cost basis. They are presented in South African rands.

Notes to the abbreviated financial statements

Figures in rand	2025	2024
2. Surplus / (deficit) from operating activities are after the following:		
Accounting fees	1,375,920	1,323,000
Administration and management fees	171,154	153,833
Carcass competition expenses	518,212	502,803
Conference fees	159,797	173,139
Consulting fees	333,419	438,452
Depreciation on property, plant and equipment	236,921	99,362
Employee cost	25,646,251	23,495,325
Legal fees	42,914	23,001
Operating lease minimum lease rentals	844,481	718,695
Printing and stationery	254,341	396,547
RWS/RMS Expenses	497,082	371,231
Sustainable wool inspections expenses	357,879	296,730
Telecommunication	526,911	501,441
Travel – local	1,312,305	1,351,231
3. Finance income		
Interest received	1,300,619	1,612,181
Local dividends	130,859	81,030
Foreign dividends	-	8,223
Total finance income	**1,431,478**	**1,701,434**
4. Income tax recognised in surplus or deficit		
Current tax	406,993	381,463
Deferred tax	487,544	546,525
Total income tax	**894,537**	**927,988**
5. Future minimum lease payments		
Not later than one year	674,318	655,716
Later than one year and not later than five years	2,165,590	477,074
Total future minimum lease payments	**2,839,909**	**1,132,790**

