PATFAM CAPITAL
SHARIAH AGRICULTURAL INVESTMENTS SINCE 2022

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17 WIEK STREET BOKSBURG

2026/08/28

INVESTOR BRIEF REPORT

Performance review and strategic outlook

Reporting period	01 September 2025 – 31 August 2026	**Outlook period**	01 September 2026 – 31 August 2027

Dear Investor

Assalaamwa-alaykum

In the name of Allah, the Most High, the Most Great.

1. Review of the 2025/26 Period

Operational resilience

During the period, we faced a few challenges, most notably the sale of the abattoir previously established on the farm. This required us to reduce our rate and highlighted the importance of reducing dependence on external supply-chain variables. Our experience reinforced the value of owning key properties and facilities where practical, allowing us to improve control, flexibility and manoeuvrability without compromising profitability.

New property and strategic base

One of the highlights for the period is that we purchased our own property in Lenasia, with the intention of establishing a base closer to home and developing our own agro-processing capability.

Cost and margin pressures

Although lamb prices remained high, input costs also increased. Margins were placed under pressure by logistics, supply constraints and the broader cost environment.

Economic environment

External economic fluctuations added further pressure to margins. Nevertheless, the agricultural economy continues to demonstrate stability and resilience, supporting our long-term view of the sector.

Capital portfolio growth

Growth in the capital portfolio slowed during the period. Compared with the previous year, there was no significant increase in new capital allocated toward additional capacity. One of the key challenges for a portfolio manager is managing periods when capital outflows exceed inflows, as this can make it more difficult to plan effectively and maintain the portfolio at optimum operating levels.

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Strategic direction

The central lesson from the year is clear: greater control over critical parts of the value chain can strengthen resilience, improve margins and reduce exposure to external disruptions. Our next phase of investment is therefore focused on building practical capacity around the core livestock business.

VISION/INTENTION FOR 2026/27

2. Priorities for the Year Ahead

Our focus for the following period prioritizes

Building capacity • Growing the investor base • Strengthening margins

Grow the investor base

The year ahead will focus on increasing our investor base to grow the portfolio. Sustainable growth requires capital inflows to remain aligned with the opportunities and capacity within our growth model.

Develop integrated infrastructure

We are in the process of establishing, on our new premises, an egg-laying facility for approximately 5,000 layers, together with a micro-abattoir to supply hand-slaughtered lambs throughout the year and an agro-processing plant. These facilities are expected to improve operational control and support stronger margins on our quality lamb offering.

Focus capital on productive assets

The development programme requires significant management and operational resources. Investor capital will remain primarily focused on stock, with selective investment in infrastructure that can improve stock handling, processing and overall efficiency.

Maintain the core business

Feedlotting and supplying lambs to abattoirs remains the core of the business, but we also see value in egg production as he most affordable protein in which we should capitalize on. The new infrastructure is intended to complement this core activity rather than replace it.

3. Profit Rate and Review Cycle

PROFIT SPLIT	EFFECTIVE RATE PA (2026/09/01 – 2027/02/28)	NOMINAL RATE (PAYABLE EVERY 3 MONTHS)
70% / 30%	11%	10.57%

The profit rate for investors for the coming period will be structured on a 70% / 30% split. The new rate for the period 01 September 2026 to 28 February 2027 will be 11.00% per annum effective, with a nominal rate of 10.57% per annum.

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Going forward, a new profit rate will be announced every six months: one at the beginning of September and one at the beginning of March. Market conditions can change materially within a year, and we believe the portfolio should remain proactive and responsive to those changes.

As a practical illustration of market volatility, movements in diesel, Bitcoin and gold prices over a six-month period demonstrate how quickly market conditions can change. Our approach is therefore designed to remain adaptable while maintaining a disciplined focus on the underlying agricultural business.

4. Our Investment Philosophy

At Patfam Capital, we believe in the concept of conscious capitalism — investing in businesses and productive assets that can directly and indirectly benefit our faith, communities and investors. Our objective is to build a portfolio that combines commercial discipline with tangible economic value based on Islamic principles.

Thank you for your continued support and confidence.

For any further information, please do not hesitate to contact us.

Zayd

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